

APR 29 1930

Sales Management

The Weekly Magazine for Marketing Executives



C. K. Perkins

*Vice-President and Marketing Director, Bauer & Black Division
of The Kendall Company, Chicago*

A Modernized Sales Plan Ushers in
a New Era for Bauer & Black



General Foods Wins Record Sales
with \$1,000,000 More Advertising

March Advertising in Pittsburgh

Media Records reports for March show the following division of advertising in Pittsburgh:

The Press. . . 2,162,354 Lines

***47.9% of all advertising appearing
in Pittsburgh Newspapers***

Other Evening and Sunday Paper. . . 1,589,485 Lines

Morning Paper 766,574 Lines

The Press published 36 per cent more total advertising than the other evening and Sunday paper, and 182 per cent more than the morning paper.

Press linage shown above was divided as follows:

Local Display. 1,171,078 Lines

National Display 401,689 Lines

Automotive Display . . . 136,558 Lines

Financial Display. 42,153 Lines

**Classified, Legal
and Church Notices . . . 410,876 Lines**

Total 2,162,354 Lines

During March, 1,086 advertisers used the Pittsburgh newspapers and 858 or 79 per cent of the total used The Press.

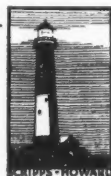
During the six-month period ending March 31, 1930, The Press showed a circulation gain of 11,459 daily and 18,505 Sunday. The other evening and Sunday paper lost 123 daily and 3,497 Sunday. The morning paper, (daily only), lost 3,448.

All measurements in this advertisement by Media Records, Inc., and are exclusive of advertising in National Magazine distributed with the other evening and Sunday paper.

The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA



HOUSE X

HOUSE Y

Two doorways, just alike.

They open into homes, just alike.

A salesman looking at them would say they offered equal possibilities in making a sale.

But they do not.

Behind the doorway of House X he will find a liberal spender; the home contains modern comforts and luxuries; the door swings wide and often to guests.

On the contrary, House Y seldom entertains; fewer purchases are made, though of good quality, the furnishings are older, less carefully selected.

You can't distinguish them from the outside, but there's a better way —

X reads Cosmopolitan.

Y does not.

Positive indication of liberal buying habits here-to-fore has been guess work.

Now a microscopic analysis of a Trading Center proves that Cosmopolitan families are good prospects when there is no other difference apparent.

Let us tell you the story of "*The House Next Door.*"

COSMOPOLITAN: A Class Magazine With More Than 1,600,000 Circulation

Papers for all printing

The Kimberly-Clark Corporation manufactures papers of different weights and qualities for use in publishing monthly and weekly magazines, package inserts, booklets, mail-order catalogs, catalog and magazine inserts, broadsides, house organs for black and white and color printing, as well as the majority of newspapers publishing rotogravure sections.

**Kimberly-Clark
Corporation**

Established 1872

NEENAH, WIS.

NEW YORK—122 E. 42nd St.

CHICAGO—8 S. Michigan Ave.

LOS ANGELES—510 W. 6th St.

600,000 Women Y.W.C.A. Members

are now planning

Vacation Tours

and will need

Vacation Supplies

Have you anything to interest women who spend from one month to ten weeks vacation with pay?

Write for plan of services of the Advertising Department of

THE WOMANS PRESS

The official national magazine of the Young Women's Christian Association which reaches all the executives of the organization.

Address:

CLARA JANOUGH, Adv. Mgr.

600 Lexington Avenue
New York City

Survey of Surveys

BY WALTER MANN

Retail Shopping Area Circulation Breakdowns Revised by McCall's

About a year ago at this time, *McCall's Magazine* performed a signal service to those interested in a breakdown of circulation by counties of various combinations of the six so-called leading women's magazines, i.e., *Ladies' Home Journal*, *Pictorial Review*, *Woman's Home Companion*, *McCall's*, *Delineator* and *Good Housekeeping*. They published these figures in convenient columns for the 683 major retail shopping centers and areas of the United States as portrayed in the 1927 J. Walter Thompson book of Retail Shopping Areas. These tables were accompanied by maps showing the areas in which each of the magazines in question led in total amount of circulation. These books have proven most useful to advertisers and their agencies again and again in the past year.

The 1929 effort has just been revised for 1930 in accordance with new circulation breakdowns which have been prepared by four of the six magazines, i.e., *McCall's*, *Ladies' Home Journal*, *Woman's Home Companion* and *Good Housekeeping*, in the interim. Unfortunately, *Pictorial Review* and *Delineator* do not put out their new books at the same time the others do, so they will be penalized in this revision (through no fault of *McCall's*) to the extent that they have grown since their last detailed circulation statements.

Some general figures in the front of the book are worthy of special comment. We observe, for instance, the apparently large variance in per cent of sectional influence of one magazine as compared with another.

For example, the circulation percentage of these six magazines in New England varies from 7.0 per cent for *McCall's* to 11.7 per cent for *Pictorial Review*; in the Middle Atlantic states from 19.3 per cent for *Delineator* to 25.4 per cent for *Good Housekeeping*; in the South Atlantic states from 6.2 per cent for *Delineator* to 9.6 per cent for *Good Housekeeping*; in the East North Central district from 20.8 per cent for *Pictorial Review* to 25.8 per cent for *Woman's Home Companion*; in the East South Central states from 3.0 per cent for *Delineator* to 4.1 per cent for *McCall's*; in the West North Central from 10.2 per cent for *Pictorial Review* and *Good Housekeeping* to 12.9 per cent for *Delineator*; in the West South Central from 5.5 per cent for *Ladies' Home Journal* to 7.5 per cent for *Delineator*; in the Mountain states from 3.2 per cent for *Woman's Home Companion* to 4.0 per cent for *Delineator*; and on the Pacific Coast from 10.2 per cent for *Good Housekeeping*, *Ladies' Home Journal* and *Woman's Home Companion* to 14.2 per cent for *Delineator*. As much as 50 per cent variance in total circulation of the lowest with that of the highest is found in any one section.

Next in this revised study come about fifteen pages of tables, identical in type

with those in the first study, showing first, the population of the trading center and that of the surrounding area, plus a total figure for the area. This is followed by similar circulation figures for each of the above-mentioned magazines.

For some unexplained but doubtless good reason, the charts showing a comparison of population percentage in the various sized groups with the percentage of coverage offered by the various publications have this year been omitted. Fortunately, however, the figures for the cities of various sizes are still obtainable direct from the tabulations—but at much greater effort this year since they must be picked out and totaled by the individual.

Finally comes a summary of the sections in which each publication of the six leads all the others in total circulation, as shown in the accompanying maps, also a comparison of coverage, by states of each magazine with *McCall's*.

It is expected that this compilation will prove just as valuable this year to advertisers and their agents as it was last year. A limited supply is available either through *McCall's Magazine* direct, 230 Park Avenue, New York City, or through this column.

Selling More Candy

The most recent effort to lift the candy industry back into "Bigger Profits from Better Merchandising" has been that of F. J. Nichols of Dayton, Ohio, specialist in merchandising and selling problems, and C. S. Clark, director of the National Confectioners' Association. They have jointly put out two booklets of suggestions to the manufacturers, jobbers and retailers of the industry.

One of these booklets, which is entitled "You Can Sell More Candy," in an effort to make manufacturers' and wholesalers' salesmen do a more efficient selling job, based on the application of the newer merchandising trends to the candy industry. The primary theme of this booklet is first, that of increased sales efficiency of the salesmen themselves and second, that of showing the dealer how to get the most out of his selling by proper merchandising, proper display, in proper local advertising, etc.

The other booklet, entitled "Bigger Profits From Candy," is a study of how candy is being sold at retail today, coupled with suggestion as to how it might be sold more profitably and more efficiently in the future.

Included as a part of the latter sales manual, are eight "lessons" for the use of retailers' sales people, since it is said that in a number of cities the interest in increased sales in candy has caused sales people to actually go to school for a period of time to learn how to display and sell candy.

These two booklets sell for \$1.00 each and are available through the National Confectioners' Association, 111 West Washington Street, Chicago.

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
Lexington 1760



BAUER & BLACK'S change over to a jobber policy after years of distributing direct to the retailer is an unusually interesting example of a sales plan which runs contrary to a trend which, in some fields at least, is quite marked—the trend toward elimination of the jobber as part of the distribution scheme. B. & B.'s complete new marketing plan is described in the leading article in this issue—the first exclusive story on this company's reorganization to appear in any magazine.

SOME months ago one of the biggest banks in New England initiated a real selling and merchandising plan, taking over, and applying to banking, any number of marketing ideas that have been successfully used in building business in commodity fields. Their success with this plan is to be presented to **SALES MANAGEMENT** readers soon, by one of the vice-presidents of the institution.

A TEXAS motor car distributor took over, bodily, an idea outlined in an article in **SALES MANAGEMENT** in October, 1928, and used it as the basis of a special sales event in his own company. His success with the plan will be reported in an early issue—proving again that sound ideas that work in one field can be successfully transplanted to another field of business.

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Ask Your Advertising Agency If It Isn't True—

(1) That Florida and the southeast are flourishing as never before; (2) That retailers in practically all lines are wide open to well-backed products; (3) That cash is becoming constantly "easier," making a steadily growing retail volume; (4) That there is just one foremost newspaper which assures widest spread for your advertising in Jacksonville, the state of Florida, and south Georgia—

The Florida Times-Union JACKSONVILLE
FLORIDA

How is OMAHA ?

W-E-L-L, in March Omaha led all cities in the Tenth Federal Reserve district in building with \$1,881,967. That lusty oil town, Oklahoma City, was second with \$1,740,740, Kansas City third with \$1,276,225 — Wichita, Tulsa and Denver coming after . . . **ALSO**, Omaha's stockyards, second only to Chicago's, had a first quarter nearly 20 per cent greater in stock receipts than in the 1929 period . . . **AND**, by far the biggest white spot of "very good" business splatters the midriff of the United States, on the April La Salle map, with Omaha squarely in the middle of it and showing Omaha's immediate trade territory "very good"—shading to "good" over the rest of Nebraska . . . **OH, YES**, during the first quarter of 1930 The World-Herald continued its habit of printing nearly two-thirds of all paid advertising in Omaha — 63 per cent, to be exact.



THE OMAHA WORLD-HERALD

March Total Paid Average

128,116 Daily 124,620 Sunday

O'MARA & ORMSBEE

National Representatives

NEW YORK CHICAGO SAN FRANCISCO
LOS ANGELES DETROIT

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address **SALES MANAGEMENT, INC.**, Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

Toronto—Its Advantages as an Industrial Location. The combination of the rich and immediate Canadian trade with export business throughout the world is attracting many American manufacturers to Toronto. Canada enjoys preferential tariff trade arrangements not only with the British Empire but with many other countries. The purchasing power and standards of living of her own citizens is comparable to ours. This booklet of the Toronto Industrial Commission should be of particular interest to manufacturers wishing to extend their profitable trade borders.

Colossi. According to the spectacular picture drawn by the *United States Daily*, America's Business Colossi comprise the men in active charge of the affairs of the 10,300 corporations which account for the 79.23 per cent of the total net income of all corporations, and who are in control of four-fifths of the nation's industrial market. Starting from this premise, the *United States Daily* proceeded to check their subscription list against a representative cross-section of the list of men who control these companies (to be found in Poor's Register of Directors), and the rest of this impressive brochure is devoted to the results of their analysis of this check. Gives selected lists of companies in which they have as subscribers chairmen of the board, presidents, vice-presidents, etc.

County Count of Subscribers to Southern Agriculturist. (As of December 15, 1929). In which the *Southern Agriculturist* gives numbers of farms, farm owners, value of all farm property, average value per farm, county seat or chief town and a county count of their subscribers in the states of Arkansas, Louisiana, Mississippi, Alabama, Tennessee, Kentucky, Georgia, Florida, South Carolina, North Carolina and West Virginia.

A Supplement for your Magazine Circulation File. Which of the thirteen

leading magazines has the largest newsstand circulation? The largest revenue from it? The largest sales through boys? The smallest? Greatest subscription revenue? These questions and several others are answered in an authoritative but unassuming booklet published by *True Story*.

St. Louis Information. A visibly-indexed forty-eight-page folder issued by the *St. Louis Post-Dispatch*. The first page presents an outline of the greater St. Louis market as concurred in by the U. S. Government, A. B. C. and other unprejudiced authorities. Gives all the information customarily provided in the Bureau of Advertising A. N. P. A. Standard Market Survey Form (characteristics of population, financial, social and labor conditions, commercial trends, etc.). Contains charts and figures on circulation comparison and duplication as well as on advertising lineage in various classifications in all the St. Louis newspapers. Lists numbers of retail outlets in town of 1,000 population and over in "The Billionarea."

The Retail Jeweler Gives His Unbiased Opinion on Gifts and Artwares. Any of our subscribers who are addicted to the use of questionnaires, and especially those who sell gifts and artwares, will be interested in this research made by the *Jeweler's Circular*. Twenty-one and five-tenths per cent returns were received on a questionnaire which asked more than 100 questions. A postcard "teaser" mailed one day in advance of the questionnaire helped to secure this extraordinary return.

Office Records

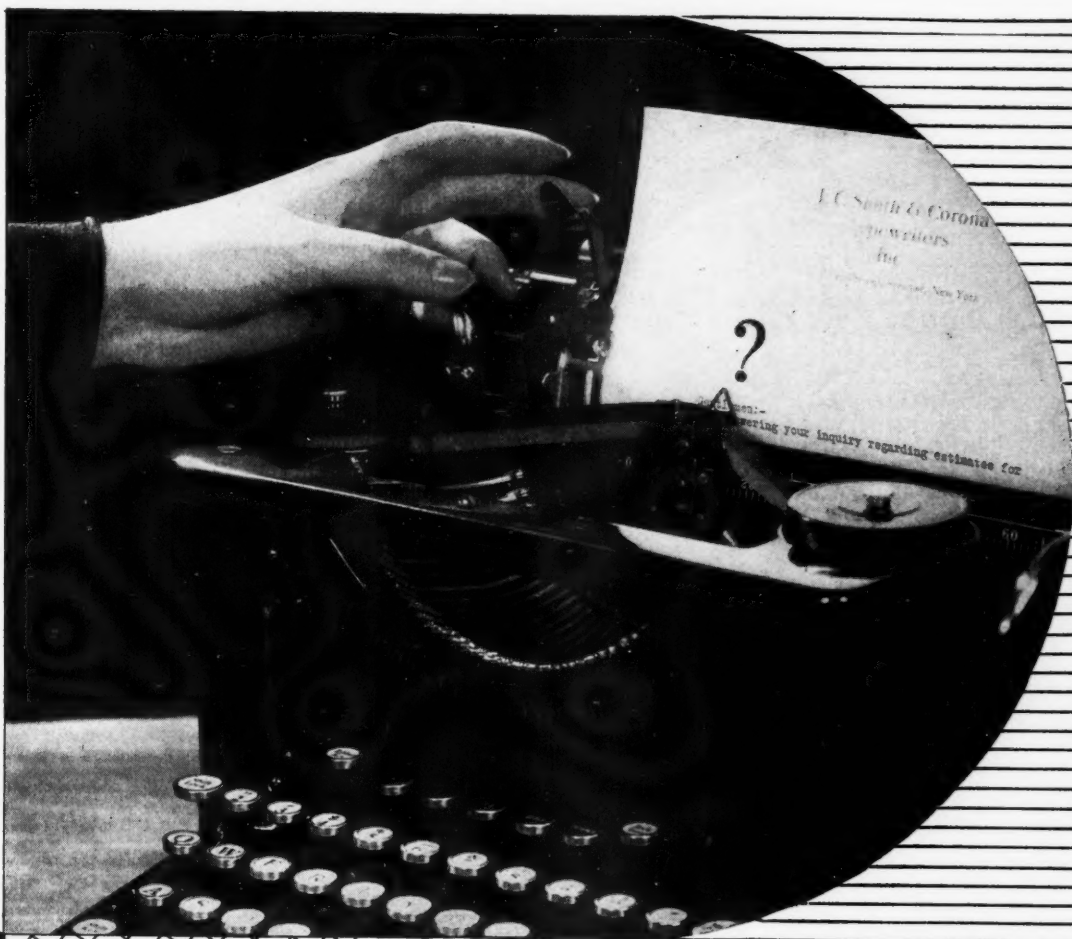
Turning Customers into Gold. This is the title of a very interesting book on customer control which outlines the uses of a tabulating and selecting machine called the *Selectric*. It is now being used by department stores but is directly applicable to the sales department of a manufacturer or wholesaler who has 10,000 or more customers, and a family of products.

EACH operator can answer 200 additional inquiries per day with this Reverse Line Spacer.

Simple—instead of counting backward to find the starting point for the name—one pull on the lever automatically indicates the proper place to start typing the fill-in on a form letter.

May we demonstrate? We shall be glad to show your operators how easily this simple attachment speeds up their work. Mail the coupon for complete information.

**CAN YOU
ANSWER
YOUR
ADVERTISING
INQUIRIES
SAME DAY
AS RECEIVED?**



L C SMITH

The Ball-Bearing Office Typewriter

L C SMITH & CORONA TYPEWRITERS INC.

1823 New York Life Bldg., 51 Madison Ave., New York City

We shall be glad to look at your machine equipped with the Reverse Line Spacer for speeding up fill-in work.

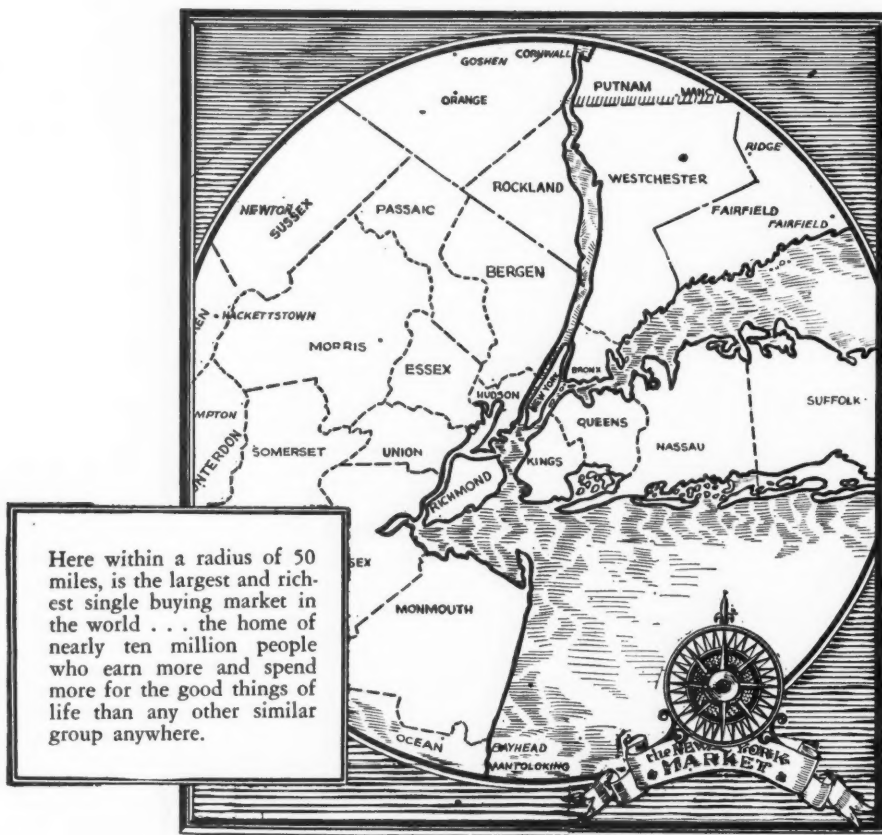
Name.....

Address.....

City.....State.....

“Depression-proof!”

... that's the New York Market ...



MANUFACTURERS with national distribution know how true this is. Sales charts prove it. Prosperous New York continues to forge ahead. Twelve months around . . . year in and year out . . . buying activity continues at the same high level. ▲ ▲ ▲ ▲ ▲ A rich market . . . and a stable one. Offering constant opportunity for

record volume of sales. Especially to those advertisers who concentrate in the evening newspaper that dominates the market, that goes into the greatest number of worthwhile homes throughout New York City and its wealthy suburbs . . . the most powerful of all sales weapons here . . . the New York Evening Journal. ▲ ▲ ▲ ▲ ▲

NEW YORK EVENING JOURNAL

REPRESENTED NATIONALLY BY THE
RODNEY E. BOONE ORGANIZATION

Significant News

● ● ● As cheerful a bit of news as has come out this week is the information, not of public record, that dealer sales of automobiles in the first quarter of 1930 were the largest on record excepting only those of the corresponding quarter in 1929. This has cleaned up excess supply and put the automobile trade as well as the automobile industry in sound condition.

● ● ● This fact gives special significance to figures of production, which is being held down as far as possible to actual requirements. In March the total was 401,378 cars, about 31 per cent less than the year before. For the quarter 999,566 cars were turned out, the decrease being about the same as last month's. Chevrolet's loss was only 13 per cent, while Ford's was close to 20 per cent. But General Motors divisions as a whole were down as much as Ford.

● ● ● General Motors' loss of about 25 per cent in first quarter net earnings indicate that the premier automobile company is not being tried beyond its strength. At the same time the exceptional showing of Pierce-Arrow, 60 per cent gain in operating profit, emphasizes the remarkable comeback of this company under Studebaker control.

● ● ● This week's railroad freight loading record was not good on its face, the number of cars, 911,310, being 61,842 below the same week last year. It is to be observed, however, that miscellaneous and package merchandise classifications (adjusted for seasonal variation) show distinct signs of revival.

● ● ● The total for all railroad freight classifications has now reached the 1928 level. This fact is significant. Throughout the first half of 1928 car loadings were below the level of 1927, although the former year proved to be much the better year. But, as has frequently happened in periods of change, this was not reflected in car loadings till later.

● ● ● General Foods, another of the exceptional corporations to make a brilliant statement of first quarter earnings in spite of the business recession, belongs also to the confident group which has materially increased its advertising appropriation for this year. Net income of \$5,991,000 compares with \$5,168,000 in the March quarter last year—\$1.13 and \$1.10 per share respectively. Combined earnings for this period of all constituent companies, before as well as after acquisition, were exceeded by nearly 3 per cent.

● ● ● A point of particular interest in the G. F. statement is an increase in the profit margin on sales from 16.1 per cent last year to 18.4 per cent this year accompanying the decline in commodity prices. On this phase the Labor Bureau's index numbers for March are interesting. Farm products fell from 107.1 last year to 94.7 this year while the drop in foods was only from 98.1 to 93.9.

● ● ● Westinghouse's loss in the first quarter of 21 per cent in orders received and 24 per cent in net income tells of unusual activity last year more than of poor conditions this year.

● ● ● Complete returns of income tax receipts in March compared with those of March a year ago show a loss of only forty million dollars, just about the amount the Treasury Department expected to lose through reduction this year in the normal tax. Of stock market losses there is still no trace. Apparently they were counterbalanced by profits of speculators who sold out before the crash.

● ● ● Full figures for building contracts in the first quarter are illuminating. Public works touched a new peak for five years, 55 per cent above the amount in the corresponding quarter of 1929, while residential and commercial construction were off 48 and 15 per cent.

● ● ● Cigarette production last month was only 5.5 per cent more than in March, 1929, evidence of a slight slackening in the pace of the fastest-growing industry over a long period. Last year the gain was 14 per cent. In 1927 it slumped to 5 per cent, but even in 1921 and 1922 it was 9 and 7 per cent, respectively.

● ● ● Condemning unemployment as the biggest flaw in our economic structure, Samuel A. Lewisohn, vice-president of Miami Copper, recommends unemployment departments to keep track of seasonal fluctuations and study its problems in the same way as production and sales problems are studied and solved.

● ● ● Manufacturing operations in March increased 1.2 per cent over those of February but were 7.9 per cent below those of March, 1929, according to *Electrical World's* measure of electric power used by 3,800 plants.

● ● ● Revived merger conferences between Sears, Roebuck and Montgomery Ward, whether they bear fruit or not, afford further evidence that the push toward consolidation is still strong.

● ● ● Governor Roosevelt's veto of the resident buyer licensing measure, passed by the New York legislature, has not discouraged its sponsors. They say they will try again next year, believing that the governor acted without full knowledge of the situation.

● ● ● Changes in the management of Kroger, second largest grocery chain, which eliminate the founder and his family as well as Mr. Albers, long leader of the chain association, point to radical new policies in the company's development, now largely a matter of concern to Wall Street bankers.

● ● ● Retail sales of \$250,000,000 a year are to be credited to amateur sports in this country, Julius Klein told a radio audience recently, illustrating in a new way the maxim that the more we play the more we work.

As told to A. R. Hahn

BY C. K. PERKINS

Vice-President and Marketing Director, Bauer & Black Division of The Kendall Company, Chicago

A Modernized Sales Plan Ushers In a New Era For Bauer & Black

BAUER & BLACK goods had been "handled" for years by retail druggists. When someone asked for Blue-Jay corn plasters or B. & B. adhesive tape, the retailer produced the packages from some obscure place in an under-counter drawer, or from a vantage point back somewhere among the patent medicines, and filled the order. The selling mechanism of the company was that simple: the goods were "handled," but not "sold."

When, in September, 1928, The Kendall Company bought Bauer & Black and began to reconstruct the marketing policies and methods of that concern, the major effort was directed toward changing the retail druggist's whole attitude toward the line of surgical supplies and drug sundries that bore the Bauer & Black name, toward teaching him that a staple line of this kind could be made to respond to more intensive merchandising and thus be moved in considerably greater volume than he had heretofore ever realized.

Even though the company had been doing a creditable volume of business and making a profit out of operations, it was the feeling of our executives that such a condition could not continue much longer without a more aggressive marketing program. For the five years preceding acquisition of the firm by the Kendall Company, Bauer & Black sales had been practically constant. Because the whole distribution scheme



In a window display test recently conducted retailers achieved as high as 131 per cent increase in sales through proper window and interior display.

This is the first complete story to be presented on the new sales program developed by Bauer & Black. It is another important article which is exclusive with Sales Management.

had been changing, this level sales curve constituted a hazard faced by the new management. The phenomenal growth of the chains had taken place; mutuals were being organized on every hand; wholesalers were going into the retail business, and retailers into the wholesale field. The independent druggist was facing many

new and complex problems. It was for these reasons that we felt it necessary to make some radical changes in the company's marketing scheme.

Bauer & Black had been operating under a direct-to-retailer distribution plan, with approximately 160 salesmen calling on dealers. The big bulk of shipments was made direct to retailers, meaning that the manufacturer was his own wholesaler. Jobbers stocked the Bauer & Black specialties, such as Blue-Jay corn plasters and athletic supporters, largely as a convenience to customers, but since there had been no defined jobber policy, these distributors had never made any effort to push the line.

Many of the salesmen had traveled their territories for periods that could be measured in decades; they knew their customers by their first names, and a large portion of the business was done on a personal basis. Their work was not closely supervised; in fact there were several important sections in which there were no district managers, and personal contacts with salesmen were limited to sporadic visits from executives of the home office.

Both the salesmen and the dealers had come to accept surgical dressings as items for which no demand could be created. There was a certain amount of business to be had, they believed, and about all one could do was stock a fair range of items and wait until a customer came in and called for bandages, gauze, adhesive plasters or

absorbent cotton. Certain items, like the Blue-Jay plasters, were regarded largely as summer sellers, and not much was expected of them during the "off seasons." Not an unusual situation, this; rather typical of a condition existing in thousands of companies today.

As part of the reorganization program under the new management, a market study and a complete analysis of the company's sales figures were made. When we broke down sales by items, we found that many retailers who had handled the corn plasters, for example, and surgical dressings for years, were not pushing other items in the Bauer & Black line—baby powder and baby talc, for example. The percentage of dealers who handled the full line was very small. Here was one condition that needed study and improvement.

After we developed figures on the potential market, we set up a sales quota for the following year, and began a reconstruction of the marketing and distributing structure of the business. The first important change made was the development of a new jobber policy. We laid out a program designed to make the line attractive, from a profit standpoint, to any wholesaler who would put behind it some creative selling effort, and with this program we approached the leading drug distributors.

Merchandising the Line

Meanwhile, we were developing a new plan for teaching dealers how to merchandise the Bauer & Black line. We were convinced that these products could be sold by display and by suggestion; all we had to do was prove this to the retailers—and show them how to do it. With a broad program of national and newspaper advertising as a background, we began to bend our efforts toward getting the goods out of the bins and drawers, onto the counters, into the windows, and, more than all else, *into the consciousness of the druggist himself* as something worthy of more selling effort because they returned longer profits to him than many other items he carried.

The change from direct to jobber distribution, coupled with the new merchandising program, meant that the sales force could no longer function under the old system of casual calling and order taking. They had a new job to do now, and they had to be trained for it.

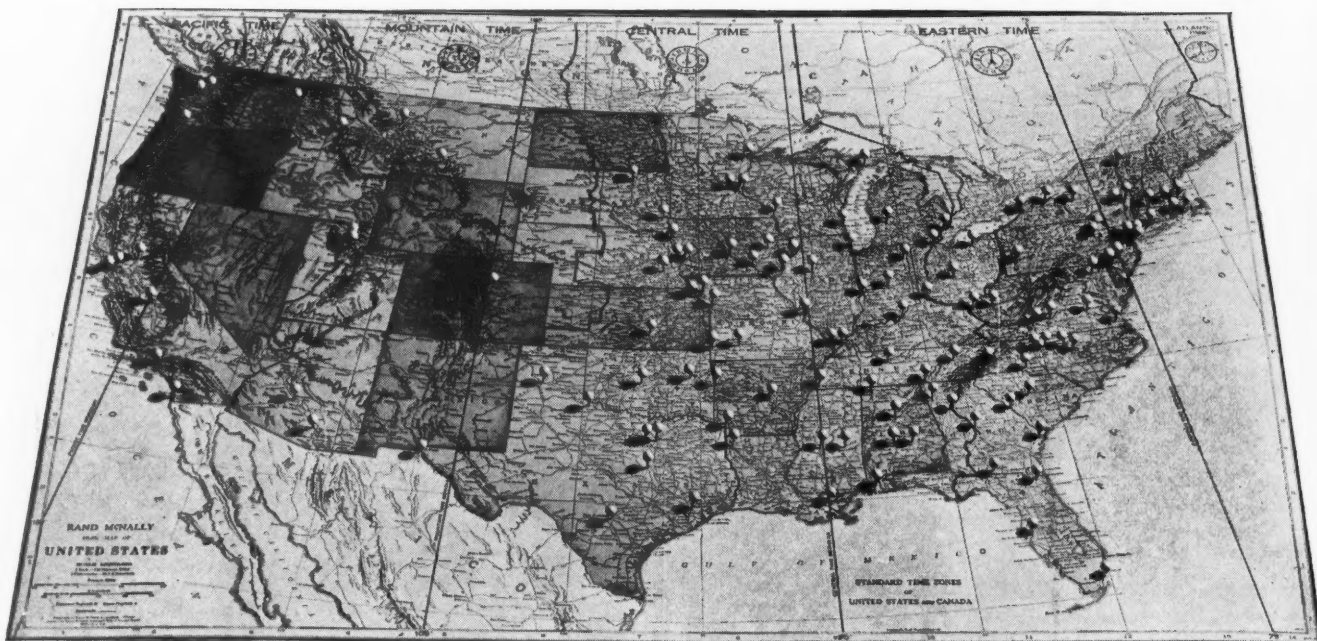
This, in itself, was a colossal task. In the first place, there was the problem of the natural uneasiness among the salesmen which resulted from a



Under Bauer & Black's new policy the salesmen carry a constant stream of new merchandising ideas to dealers.

How Bauer & Black Remodeled Their Sales and Distribution Program

- ¶ 1. Made a market survey, and a complete analysis of sales figures as the basis for a new marketing plan.
- ¶ 2. Changed over from a policy of selling direct to a plan for winning the cooperation of jobbers.
- ¶ 3. Began to build salesmen up as merchandisers.
- ¶ 4. Changed the salesmen's compensation plan to provide an incentive factor.
- ¶ 5. Adopted a new theme for the advertising, and set aside a million-dollar appropriation for carrying it out.
- ¶ 6. By demonstration, began to teach dealers what proper display would do for a line of products they always felt couldn't be "sold" but had to be "bought."
- ¶ 7. Began to take systematic measures to widen interest in the line.



After years of selling direct to the retailer, Bauer & Black have adopted a jobber policy and are now distributing through 180 leading drug wholesalers in all parts of the country. Map-tacks indicate wholesale accounts.

change in the ownership and management of the company. They had been drawing commissions on their sales to dealers, and most of them were worried over possible reductions in their income which they felt were sure to result from taking the jobbers into our distribution scheme. There was also an enormous amount of inertia to overcome in the existence of the tenacious belief that surgical dressings and first aid supplies had to be bought, and that the market for them was a fixed one, incapable of much expansion.

In getting the salesmen reorganized on the new basis, and in enlisting their whole-hearted cooperation in what we were trying to do, perhaps the most important of the basic factors was a new compensation plan. The new plan supplied one vital element heretofore lacking: incentive. This plan was developed to meet the immediate needs of this particular sales force and this particular company; we believe it is, in some respects, at least, entirely new.

Salesmen and distributors were grouped into teams according to the natural distributor marketing areas—as other companies sometimes group men in special sales contests. The team receives credit for all Bauer & Black goods shipped into the team area. Distributor purchases and salesmen's direct personal sales are credited to the team total.

Three quotas are set up: 1. a Base Quota, which, for the current year, was set at approximately the rate of

business for the last half of 1929; 2. an Objective Quota, higher than the Base Quota, and 3. a Bull's Eye Quota, set above the Base Quota.

There is no quota for the individual salesmen in the team. Net team sales must exceed the base quota before anyone makes money; then whatever team bonus is earned is divided among the salesmen according to the proportion each man's sales (both direct and through jobbers) is to the total sales of the team. The bonus rate is arranged on a sliding basis, so that the rate of compensation increases as volume is expanded. No top limit is set. Without going into further details, it is apparent that a payment plan of this type concentrated the salesmen's interest more directly than it had ever before been concentrated, on licking an accepted quota. With the prospect of receiving a higher rate of return on business over the base figure, each salesman was spurred to exert more and more intensive effort to develop old accounts and find new outlets.

Meanwhile, the market research department and the merchandising executives were working in the field, accumulating facts and carrying on demonstrations to prove that the underlying principles of the new marketing plan meant more sales for retailers and, hence, more potential business for salesmen.

This work proved beyond all question of doubt that proper merchandising would bring enormous increases in sales for the Bauer & Black line.

During October, for example, tests were run in five Chicago drug stores on Blue-Jay corn plasters. Simply through placing Blue-Jay display cartons in a prominent place on the counters, sales for these stores showed an average increase of 58 per cent on this item. The drug stores chosen had not been featuring Blue-Jay in the past. The druggists, like many others, were of the opinion that Blue-Jay was only a warm-weather product. Although they had been told that Blue-Jay would sell through the entire year, they were skeptical.

Here are the figures on the five stores:

Store	Increase over normal sales
A.....	67%
B.....	67%
C.....	50%
D.....	50%
E.....	40%

Average..... 58%

In another test of a window display featuring first aid kits and materials, even more remarkable results were achieved. Seven stores were tested.

In the first of these, a drug store located in Chicago's Loop district, the manager was not particularly enthusiastic over running a test of the kind the company proposed. Finally, he agreed to install a window for a week, and to use, at the same time, an inside-of-the-store display.

At the end of the first week the increase in sales was so remarkable that the display remained another week,

(Continued on page 176)

General Foods Wins Record Sales with \$1,000,000 More Advertising

BY LAWRENCE M. HUGHES



Edwin E. Taylor, executive vice-president of General Foods.

ONE hundred and forty million dollars in sales—an increase of \$12,000,000 over 1929—may be achieved in this "bad" year of 1930 by General Foods Corporation, New York.

More important, net profits will probably reach \$23,000,000, as compared with \$19,422,000 last year.

The report for the first quarter, issued this week by Colby M. Chester, Jr., president, gives evidence to substantiate the predictions.

Sales to customers were \$32,481,434 for the quarter, as against \$32,048,827 in January, February and March of 1929. Although the difference in sales for the two periods was relatively small—a little more than \$400,000—profits rose from \$5,168,384 to \$5,990,764.

When it is considered that the first quarter is generally the worst in this industry; that this year, owing to retrenchments in buying even necessities, the quarter was worse than it has been

for some time; that the food industry is one of the most competitive of all, and that General Foods made several changes in its selling program (some of which were mentioned in the March 29 issue of SALES MANAGEMENT) which had a tendency temporarily to slow down operations, the report is particularly good.

One of these changes was to give many salesmen smaller territories so that they could do more intensive work. A system of inventories of grocery stocks was started which shows up very precisely any gaps which exist in distribution. Once distribution gaps are shown up, the company believes, the work of filling them is greatly simplified.

Largely as a result of these changes, sales for January and February were slightly "down." By the first of March, however, the trend was definitely upward and that month proved to be the best in General Foods' history.

"Though the increase in sales volume over the opening quarter of last year was not large," Mr. Chester said, "it actually represents a much greater increase, because of the lower prices at which a number of our products are being sold. It is interesting to note that the per cent of net profits to sales for the period was 18.4 as against 16.1 for the corresponding three months last year."

The decision of the company to increase its advertising program by considerably more than \$1,000,000 this year was an important factor in enabling the company to ignore the pessimists, Edwin E. Taylor, executive vice-president, with supervision over sales and advertising, told SALES MANAGEMENT. Before the end of the year, it is estimated in financial circles, the increase may total \$1,500,000. It may bring the aggregate appropriation above \$10,000,000. It will affect definitely three of the company's four major media—newspapers, magazines and posters. Increased schedules have been run since January in magazines and posters and the newspapers are now beginning to feel the effects of it. The radio program continues

on about the same basis as last year.

General Foods has acquired nearly twenty companies in the last five years. Starting as the Postum Company, at Battle Creek, Michigan, more than forty years ago, its growth has been especially rapid since 1925. Last summer the name of General Foods Corporation was adopted to emphasize this broader scope. In each subsidiary General Foods has a 51 per cent interest and the entire voting stock. It now has eighty principal products, of which about twenty—notably Postum, Post Toasties, Grape-Nuts, cereals of the original Postum Company, Jell-O, Swansdown flour, Minute Tapioca, Walter Baker chocolate and cocoa, Franklin Baker cocoanut, Richard Hellman mayonnaise, Log Cabin maple syrup, Maxwell House coffee and tea, La France Satina starch, Calumet baking powder and Certo liquid pectin—are nationally advertised.

Several products, now being tested in restricted areas, will be sold on a national basis soon, Mr. Taylor said, and are expected to add materially to the company's sales volume this year. Among them are Maxwell House tea, Post's Whole Bran and Walter Baker's milk chocolate and nut bars.

Maxwell House tea is eight years old, but its sale has been concentrated chiefly in the South. Distribution, however, is gradually being extended and the product is now being introduced in the North. A skeleton distribution has been built up throughout the country for the Whole Bran, introduced six months ago.

The Walter Baker bars are enabling General Foods to enter the confectionery field and candy and drug store outlets for the first time. Retailing at five and ten cents, they have been tested for several months in New England and New York state.

A subsidiary of the company which has one of the greatest opportunities for expansion, Mr. Taylor believes, is the Birdseye process for frozen foods.

The corporation announced this week the result of a six weeks' experiment with quick frozen products at Springfield, Massachusetts.

(Continued on page 174)

What Price Profitless Sales?

BY RAYMOND BILL *

THERE are those, and among them acknowledged leaders of industry and finance, who look upon the current trend toward reduced profits per dollar of sales as evidence of inevitable economic progress. In this trend they see growth of efficiency that eliminates wastes in distribution.

They may be right. So also *they may be wrong*. Their view has won wide acceptance in circles that deal with millions and hundreds of millions of dollars as they used to deal with thousands. And since the men who belong to these "circles of colossal capital" have tremendous influence on the beliefs of people at large, it is no simple matter to challenge the wisdom or correctness of their judgments.

Yet to do that is exactly the aim of this article. That is to say, it is intended to support the assertion that business which in any large measure engages in profitless sales is promoting neither efficiency that is generally helpful, economic progress nor national prosperity.

This, then, is our thesis: *Profitless sales do not eliminate waste in distribution. Rather, they diminish national buying power and tend to undermine the solvency of business as a whole.*

First let us consider a near parallel.

A decade or two ago owners of industry regarded low-priced labor as the most effective means of producing low-priced merchandise, and in those days most business men looked upon low-priced products as the best weapons with which to lick competition. What happened to change that viewpoint? Has this matter ever been explained to our satisfaction or is our new attitude toward high wages our only answer to a seeming paradox?

On all sides we hear hue and cry against waste in distribution. Bankers, like the English house of Schroeder, are lamenting the wide spread between the cost of goods and their ultimate price when delivered to the consumer. Production experts, engineers, research authorities and economists well-nigh deafen us with their din about cutting

the costs of selling. In the press, at public gatherings, and even over the radio, government officials carry on the crusade for sane economy, for greater efficiency, for elimination of waste.

Nowhere in all this clamor of advice do we hear a voice whispering, "Let's cut down the wages of labor."

Why?

Is it not true that we can materially lower the manufacturing cost and hence the selling price of products if we cut the cost of the labor used to make them? For example, what about residential buildings where labor is the principal element in cost and where high cost is the chief bar to greatly increased activity?

Is it not true also that lower prices would increase purchasing power of each dollar and that in consequence low-priced labor would be as well off as, or better off than, high-priced labor is now because the pyramid of labor costs (which arises in the manufacture of all goods) would be lower with smaller figures used in the piling up process? We doubt if many average business men can handle such questions with strict logic.

Results of High Wages

But let us strike in from a different angle by going back to the time when industrialists thought low wages were a blessing. Then it was that working men were squeezed down and down by competition among manufacturers until a good part of them approached starvation or at least a standard of living which amounted to squalor. The Great War changed all that radically. Was it not then that business men began to recognize, *not as a matter of logic but as a matter of visible results*, the all-important principle that high wages for labor means increased purchasing power, a higher standard of living and wider spread national prosperity. And as our business men began to make greater use of transportation improvements to develop export markets, did they not again behold in *visible form* the difference in consuming power between people well paid and those just eking out a livelihood?

When the crash came last fall, was it not the world-wide tangible evidence of the relation between pros-

perity and high wages that inspired President Hoover to concentrate his great influence on the matter of keeping up high wages for labor? We doubt that he could have rendered any greater or any more timely service to his country than this.

All of which suggests that there is little need for the rank and file of business men to be annoyed about logic *where results are manifest*. Most of us know that a raw egg when broken is seen to be full of *fluids*, but that the same sort of egg when left in boiling water for a few minutes is found to contain *hard* yellow and white matter. We all know the result but relatively few of us know the scientific cause. The effect produced is of practical interest to us, while the explanation thereof is of little import to the layman.

This homely analogy pictures the way most business men regard the matter of high wages. They accept as a paradox the doctrine that "high wages mean greater purchasing power and wider prosperity" because they know that such is the result and they don't care about the explanation.

By this same homely method of dealing with visible results, we can now undertake to establish the too little recognized but equally important doctrine that "*highly profitable sales mean greater purchasing power and wider national prosperity.*"

The practical demonstration system, business men can quickly understand. If they know the result they can afford to let the answer remain a paradox. Science and logic can work out answers in due course, but meanwhile business can accept the doctrine and put its application to worthy use.

First, let's get out of the swivel chair—far beyond the luxurious cushions, the soft carpetings and the draped windows which characterize the office (and working headquarters) of the average big executive. Let's get out on Main Street, where people are still just people instead of mighty wielders of great power. Let's for the moment at least be part of the lay public instead of leaders of industry and finance who have practically forgotten what *personal and competitive shopping* is like.

As we walk down Main Street we find Lucky Strike cigarettes offered in various types of retail establishments at prices ranging from "wholesale cost"

*The third in a series of articles. The others appeared April 12 and 19.

up to "standard retail list." Because of the consumer demand, which has been created largely through national advertising, we knew before we left New York that the American Tobacco Company does not have to and does not sell Lucky Strikes at varying prices to various types of buyers. Consumer demand already established insures the manufacturing profit, no matter what the channels of distribution. Hence, getting back on Main Street we know that some retailers are selling without profit, some at a possible loss (depending on their operating efficiency) and some at a good profit. In other words, we know that the retail sale price is the primary answer to the percentage of profits on sales made by the retailers.

As we study the different types of stores selling Lucky Strikes it doesn't take any judge or jury to tell us that for the most part the stores selling at retail list must make a profit on tobacco sales to stay in business, and conversely that the stores selling at "cost" prices are able to handle tobacco sales on a profitless basis for such advantages as may be obtained from using them "as advertising to bring people into the store where they may be induced to buy other goods which are being sold on a highly profitable basis." In other words, we are beholding merchants who must make a profit to survive competing with merchants who because of *diversity of lines* can play with "loss leaders."

Effect of Lower Prices

At this juncture let us assume that the efficiency experts and the battlers for "eliminating the waste in distribution" have proved their point. Let's assume that as more and more business swings away from the list price dealers to the cut-price dealers that the public has been better served by the lowered price on Lucky Strikes and that in consequence the purchasing power of the dollar has been raised.

Let's go even further by arriving at the point where lowered prices have drawn most if not all of the business away from the dealers who had to make a good profit. Where are we now? Commodity prices are down—the purchasing power of the dollar is up—the potential market by reason of the lower price has been widened. But what has happened to purchasing power, not on a per dollar basis, but as a whole? There is a leading question.

In our own sauntering up and down Main Street we find purchasing power has been adversely affected and precisely (even though just as paradox-

ically) in the same manner as when wages for labor are reduced. In fact, the visible effect is more direct and more extensive.

Every time a retail merchant closes

down because of competition which indulges in profitless sales, not only has the purchasing power of that merchant disappeared but also there has
(Continued on page 184)

Comparative Data on the Relation of Profits Earned on Each Share of Common Stock and Percentage of Profit on Each Dollar of Sales

GROUP I. Showing How Profits on Each Share Increased as Percentage of Profit on Each Dollar of Sales Increased

RUSSEKS FIFTH AVENUE, INC.					
	1925	1926	1927	1928	1929
Net sales	\$4,593,323	\$4,467,348	\$4,957,177	\$5,122,020	
Per cent profit on sales....	5.5	3.4	4.6	4.9	
Share earnings	\$2.01	\$1.20	\$1.82	\$2.02	
BEST & COMPANY					
Net sales	\$11,582,895	\$12,519,016	\$13,345,644	\$14,614,182	
Per cent profit on sales....	7.8	7.8	7.5	8.7	
Share earnings		\$6.33	\$6.53	\$4.20	
LERNER STORES CORPORATION					
Net sales	\$5,461,373	\$8,540,644	\$12,104,191	\$19,077,143	
Per cent profit on sales....	6.7	6.7	6.4	7.26	
Share earnings	\$1.02	\$2.02	\$3.04	\$6.03	
NATIONAL FAMILY STORES, INC.					
Gross sales			\$3,400,266	\$7,003,463	
Per cent profit on sales....			11.2	12.1	
Share earnings			\$3.35	\$3.55	

GROUP II. Showing How Profits on Each Share Decreased as Percentage of Profit on Each Dollar of Sales Decreased

WILLIAM FILENE'S SONS COMPANY					
Net sales	\$26,299,754	\$28,473,566	\$30,372,457	\$34,173,185	\$47,422,264
Per cent profit on sales....	4.5	6.5	6.8	6.6	4.7
Share earnings ^a	\$1.65	\$2.99	\$3.39	\$3.73	\$3.18
LANE BRYANT, INC.					
Net sales			\$5,923,372	\$6,126,997	\$7,461,643
Per cent profit on sales....			2.7	6.1	4.5
Share earnings			\$1.34	\$2.33	\$2.14
ROOS BROTHERS, INC.					
Net sales	\$4,875,553	\$4,736,885	\$2,545,192	\$5,040,659	\$5,412,813
Per cent profit on sales....	8.3	6.7	9.8	7.4	6.2
Share earnings	\$4.24	\$3.17	\$2.72	\$3.82	\$3.44
CONSOLIDATED RETAIL STORES, INC.					
Net sales			\$13,905,051	\$18,422,275	\$22,134,467
Per cent profit on sales....			...	5.1	2.6
Share earnings			\$1.87	\$1.79	\$2.43
CAVANAUGH-DOBBS, INC.					
Net sales	\$5,755,865	\$6,951,714	\$8,018,630	\$9,345,587	\$11,383,312
Per cent profit on sales....	6.9	8.9	13.1	9.7	4.4
Share earnings	\$0.72	\$1.67	\$3.51	\$2.90	\$1.18

GROUP III. Showing How Profits on Each Share Fluctuated with the Percentage of Profit on Each Dollar of Sales

I. MAGNIN					
Net sales	\$5,980,564	\$7,225,263	\$8,363,486	\$9,487,318	\$10,984,159
Per cent profit on sales....	7.4	7.7	7.2	8.0	7.2
Share earnings	\$2.34	\$3.08	\$2.10	\$2.65	\$2.44
NATIONAL SHIRT SHOPS, INC.					
Net sales	\$3,921,715	\$3,802,100	\$3,303,505	\$3,796,803	\$4,469,469
Per cent profit on sales....	6.6	4.4	5.6	1.8	4.7
Share earnings	\$3.99	\$2.11	\$2.51	\$0.20	\$3.25
OPPENHEIM, COLLINS & COMPANY					
Net sales	\$11,394,553	\$11,276,292	\$10,644,689	\$10,753,142	\$9,262,478
Per cent profit on sales....	8.2	8.8	8.6	8.8	8.0
Share earnings	\$4.66	\$5.00	\$4.62	\$4.30	\$3.40

¹ On 150,000 shares.

² On 300,000 shares.

³ 90,000 no par shares outstanding.

⁴ 217,317—no par shares outstanding.

⁵ Includes year's operation of R. H. White Company.

⁶ Present capitalization.

⁷ Six months ended December 31.

⁸ Over 287,908 shares outstanding.

⁹ Over 298,432 shares outstanding.

¹⁰ 235,610 common—no par outstanding.

¹¹ 234,660 common—no par outstanding.

¹² Earnings for 1927 computed on greater number of shares outstanding due to stock dividends.

¹³ 290,101 common as compared to 285,627 in 1928.

Digested by SALES MANAGEMENT from statistics compiled by A. W. Zelomek, statistician-economist, Fairchild Analytical Bureau, New York

New Catalog Snips Red Tape for Lumber Dealers

HAVING spent months and thousands of dollars, in working out a catalog puzzle for its trade, Hallack & Howard Lumber Company, Denver, manufacturers of Master Built woodwork and wholesalers of lumber, woodwork and building specialties, was determined that the sales organization, receiving the new book, should be 100 per cent sold upon its value as an aid in selling the dealer, and as an aid to the dealer himself in selling the consumer.

The field of lumber and allied lines has been one which for years has wallowed in a morass of numerous catalogs, booklets, price lists, discounts, differentials. Fred G. Coldren, executive in charge of sales promotion for Hallack & Howard, was familiar with the condition, like thousands of other men in the lumber trade.

To get at information required several times as long as it should, in Mr. Coldren's opinion. It was impossible for a lumber retailer to get up an estimate for a customer entirely out of one book. It was a matter of many pieces of sales literature, and, within each one, many cross-references. It actually was possible, answering price questions, to get several answers from one book—and each correct! In the

case of Hallack & Howard, the company's own catalog and price lists contained puzzles which no one could solve.

Mr. Coldren envisioned a catalog which would be epochal in the industry—a catalog giving all data for the dealer in a single book. He sought the aid of research and an advertising agency and the product was ready for introduction to the sales organization the last week in December. It was "Building Counsel," a loose-leaf catalog of 360 pages, far in advance of anything before offered in the lumber trade. Cross references were eliminated.

Investigation had shown that the wild and numerous flock of discounts in the trade was largely unnecessary. A standardized discount of 33 1/3 per cent was introduced. There were some exceptions to this for goods to which, for basic reasons, it could not be applied. The great bulk of items, however, were placed on the uniform discount basis.

The book made a scientific approach to organization of data. First, the dealer was visualized as the man for whom the book was being constructed. How would the dealer use it? In selling his trade, of course.

All information on a single article, as, for example, a door, was provided at one place in the catalog. Here appeared all descriptive matter necessary for doors—size information, facts about materials used, and then the price. The price given was Denver list. The dealer could say to his customer, "I am selling this door to you for exactly what it sells for in Denver, plus freight."

The book was divided into sections, and the sections in turn were given page numbers. For example, the first section was devoted to entrances and doors. The first page of the section gave a condensed index listing the different classes of entrances and doors and on what pages they would be found. Section II covered sash, Section III moldings, and so on. There were numbered sections for lumber, woodwork-stock and special. Andersen frames, stairs, glass, hardware, insulation, roofings and asphalt products, wall board, steel windows, specialties.

Illustrations were used throughout on an extensive scale. Arrangement of tabulated data was such that the dealer and his customer could get at facts in it in minimum time.

For the special trade information he required, the dealer was given pages



Four cartoon cards, seven by five inches, with the name of the salesman serving the dealer imprinted on them, were sent out in advance of the new catalog, "Building Counsel."

BY JOHN T. BARTLETT

Every company that has a catalog problem will find ideas in this story of the way Hallack & Howard designed a catalog which cut the time required to estimate a job to one-fourth of what it had been.

in the back of the book. The whole facts about discounts were covered in less than three pages! There were pages dealing with packing and crating information. Throughout the book, asterisks indicated stock items.

To assist the dealer in arriving rapidly at freight information, a complete tabulation, alphabetical, of rates from Denver to every receiving point in the Rocky Mountain region, for the various classifications of freight, was presented.

The loose-leaf feature meant that price changes could be introduced at minimum expense. Cost of the books, in a rich binder, with a special book plate for the dealer's name, was between \$7.50 and \$10.00. Each book was numbered for registration in the company's office, and the understanding upon which books would be supplied dealers was that they were lent, only, and were subject to recall at any time.

Here was a catalog which, used by any one of hundreds of lumber dealers in the mountain states, would actually cut down the amount of time required to estimate a job to one-fourth what it was under the old system of numerous features of catalog matter.

To what pains the company had gone to have the new catalog exactly right was shown by the size adopted, six by nine inches. The size originally in mind was an approximate eight and one-half by eleven inches. However, a special survey was taken among dealers, with the result that strong preference for the six by nine size was shown.

Salesmen were called in from the territory for a banquet and special evening. The menu was in the form of



All the information on a single article was provided at one place in the catalog.

logs and price lists and discarded them, throwing them into a huge waste basket. Thus there disappeared book after book, dozens, which formerly had been essential in the Hallack & Howard business, and in the business of any mountain states lumber dealer. As the last piece of catalog matter was thrown into the huge basket, a colored boy arrived to bear it triumphantly from the room.

Down a long runway now proceeded a miniature truck, delivering the new book, "Building Counsel." The program announced "on the stage, Hallack & Howard presents 'Building Counsel,' a Book of Modern Business."

The "stage" was a miniature affair set in the center of a wall-board front, behind which were the actors. The curtain went up, showing a typical lumber yard with, at the left, the dealer's office. The voices of two employees were heard. The men were hard at work trying to get up an accurate and complete estimate. Finally, with the job unfinished, they quit as the clock struck midnight. Tomorrow, it was made known, that great new book of Hallack & Howard would arrive—"Let's finish the job tomorrow!"

The curtain went down.




There was music. Scene two was the lumber office again, by daylight. The two men are at their job, (Continued on page 188)

10 -- 2

Insulite^(SM)

Insulite possesses the highest insulation value of any insulating material in being. (See Bureau of Standards tests, Sec. 16.)

Insulite is furnished in various types and sizes to more closely meet particular needs. All types are formed of the same identical material of same thickness, weight and strength. Be sure to specify Insulite by complete name as follows:

Type and Uses	Price Per 1000' Full Bld. Lots	Size	Thickness	Weight Per 1000'	Sheets Per Bundle
 Insulite Wall Board Sheathing-Insulation. Wall Board-Insulation. Selected for surface applications. One perfect face to each piece.	\$45.00*	48" x 7, 8, 9, 10, 12"	1/2"	700 lbs.	6
 Insulite Plaster Base Shiplap and beveled all edges. Bonds with plaster twice as strong as wood. Reduces air leakage. Acts as sound and heat insulator. Also available in 1" thickness.	\$45.00*	18" x 48"	1/2"	700 lbs.	10
Insulite Industrial Board For insulating purposes only. Not suitable for plaster base. Not selected for perfect face.	\$40.00*	4' x 4'	1/2"	700 lbs.	10
 Insulite Roof-Lap 1" thick. Has 1" shiplap edge all around formed by stalling two 1/2" sheets together offsetting all around. Does application over whole full 1" of insulation is required.	\$85.00*	17" x 34"	1"	1400 lbs.	10

*Less than Full Bundle Lots—Add \$5.00 per M crating charge. (See Section 15 for Selling Information)

Building Counsel—Hallack & Howard Lumber Co.—Denver

a price sheet, and names of sections of the new book were used in order.—Entrances and Doors Cocktail, Sash Soup, Molding Salad, and so on. While the banquet was in progress, it was announced that a special prize would be awarded to any salesman who, at the conclusion of the dinner, was able to give all the sections in order. A number qualified.

I. F. Downer, a company executive, presided. B. Coldren, head of the Hallack & Howard Lumber Company, was the first speaker on, "The Purpose of This Meeting." Fred G. Coldren and E. M. Hunter, of C. F. Woolley, Inc., advertising counsel, amused the audience as, standing at a table, they considered, piece after piece of cata-

What Is a Sound Expansion Policy?

No. 4. How Companies Grow Through Diversification

BY JOHN ALLEN MURPHY

DIVERSIFYING the line is a method of expanding a business that is widely used. It differs essentially from the two other expansion methods that have already been considered in this series—evolutionary expansion and full-line development.

When a company expands through evolution it lets its line grow much as it will. While the evolution is usually a logical process, it frequently takes a concern into a field that may be entirely different from the one in which it started. In the meantime, the original product and several of its successors may have been abandoned.

Full-line expansion occurs when a company starts with one or more specialties in a field and then proceeds to round out its line or to cultivate other fields that are allied to the one it entered originally. Expansion through diversification is similar to full-line development inasmuch as under both plans a large number of new items may be added to a company's merchandise family. Under the diversification plan, though, there may be no direct relationship between the old members of the family and its newly adopted members. In most cases there is a good reason for the adoption. Often, however, there is apparently no logic behind the move. Sometimes diversification will reach out and pull a strange black, or yellow or red bed fellow into the family bed chambers.

There is nothing new about diversification. It is as old as business itself. Since men first began to barter for a living, tradesmen have seen the wisdom of offering as many things for sale as people have been willing to buy. The only new thing about diversification is that it has come more into vogue in recent years. The accelerated tempo of business is mainly responsible for this.

I first heard the word "diversify" from my grandfather. He was a pioneer Minnesota wheat farmer. Evi-

dently he had been overproducing, as he declared to one of his sons, "Tom, we must diversify. No money in wheat anymore. Let us raise more oats, barley, corn and potatoes. We ought to go in for livestock, too." I've heard that word "diversify," as applied to farming, a good many times since.

For years our farmers have been told that a program of crop diversification would solve their problems. Now we are telling it to the Brazilians. Under the influence of Brazil's valorization plan, the production of coffee was vastly stimulated not only in Brazil but also in other countries. As a result, Brazil's artificial control scheme broke down and the bottom dropped out of the market. The



Edward G. Budd's concern is following the plan of diversifying within the industry it is already selling to.



Louis K. Liggett's Drug, Inc., is one of the most diversified businesses in the United States, including, as it does, everything from manufacturing to retail outlets.

coffee planters are being advised to dig up a percentage of their trees and to "diversify" by growing more sugar, wheat, rice and other things.

Business men diversify for exactly the same reason that farmers do—so as not to have all their eggs in one basket. Having but one basket and watching that closely used to be regarded as pretty good policy. Many business men are now afraid to concentrate on one thing. They feel much safer when they have several irons in the fire.

The need for diversification is particularly pressing in any style line. The I. B. Kleinert Rubber Company, for instance, has been operating for more than fifty years. Its merchandise is subject to constant style changes. If it were not continually bringing out new products, to take the place of passe numbers, the concern would have gone out of existence long ago.

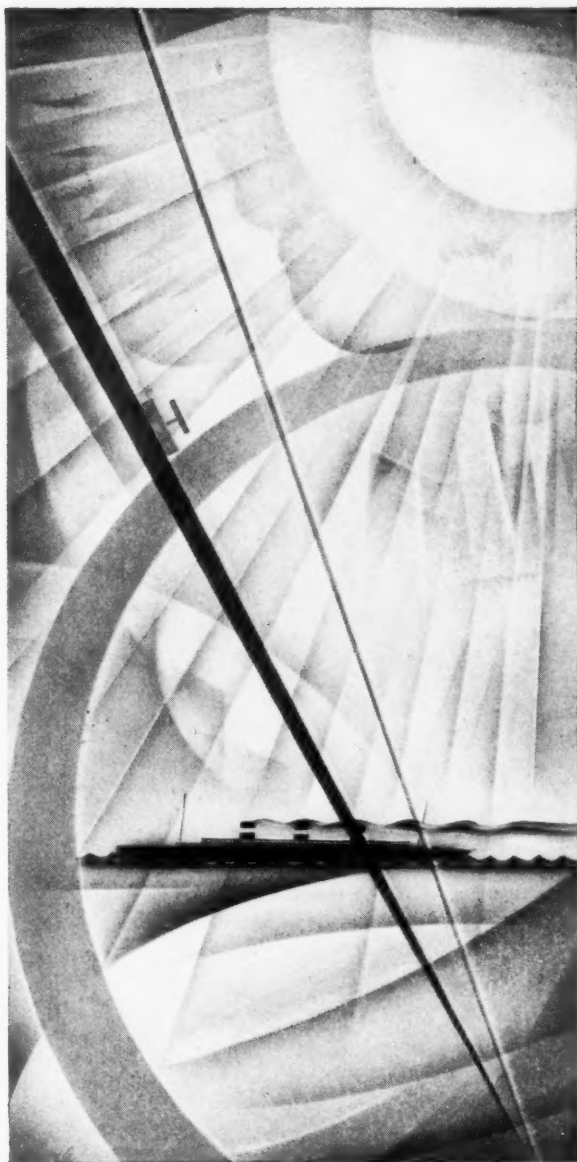
G. I. Sellers & Sons Company set out originally to make kitchen cabinets. Because of competition and for a variety of other reasons, the market for cabinets is not so good as it once was. So Sellers diversified its production. It is now making kitchen ensembles, which include a cabinet. It also has kitchen tables and other kitchen furniture. Whereas the company once was dependent entirely on cabinets, it now has a tempting range of goods to offer its market.

When William E. Wright & Sons Company launched its enterprise back

Shooting THE INDUSTRIAL SUN

Besides designing and building those advertising ships that carry our clients' cargoes to many lands, we have also something of a hand in their navigation.

Our business is largely an art—but it has to be a science, too. The course of an advertising campaign is determined by continuous scientific study of the facts that sur-

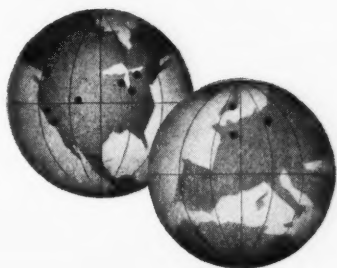


round and control the sales of the product.

Shooting the industrial sun from the two hemispheres where our twelve offices are located, helps us to know the latitude and longitude of our clients' business progress. That is what we have been interested in for eighteen years. How but on their ships does our own success travel?

THE H. K. McCANN COMPANY • Advertising

NEW YORK • CHICAGO • CLEVELAND • SAN FRANCISCO
DENVER • SEATTLE • LOS ANGELES • TORONTO
MONTREAL • VANCOUVER • WINNIPEG
LONDON • PARIS • FRANKFORT O.M.



in the nineteenth century, it made bias seam tape for which there was only one use. Had it stuck to that single-purpose product, the present generation would not be familiar with the concern. Instead, the management is always digging up new uses for its tape. The business keeps in step with fashion, by giving a diversity appeal to its sales message.

Style ravages the food industry also. Foods rise and fall in popularity, much as does the length of women's skirts. That is one explanation of why several of our larger good manufacturers are engaged in a program of diversification. General Foods Corporation, Standard Brands, Inc., Gold Dust, Durkee Company, etc., are assembling an amazing variety of palatable-ticklers in their lines. These companies are fortifying against any change in public taste. General Foods, in particular, is well diversified against the competition of fads, seasonal fluctuations or anything else that may affect America's appetite.

Style in Amusements

There is style in amusements, too. The Radio Corporation of America has the best diversified line of offering in this field. When the public asks it "What have you?" it can reply "Radio, movies, talkies, vaudeville, phonograph records, sheet music, television, broadcasting, and if there is anything else you'd like we'll gladly get it." R.C.A.'s companies are grouped into four divisions: Communications, entertainment, manufacturing and education.

A diversified line is the most satisfactory method of protecting a business against the encroachments of outside competition. Where would the National Carbon Company or its parent, the Union Carbide & Carbon Company, be if it did not have a policy of diversification? The coming of the electric lighting systems for automobile eliminated the old carbide gas method of lighting. While the automobile market for carbide gas had done a lot for C. & C., it did not have to go out of business when this prosperous market was diverted. C. & C. has always kept a lot of new products coming out of its laboratories. So it always has something to sell.

Radio furnished National Carbon with a generous volume of battery business. When the A.C. sets were developed a good slice of the radio battery market was cut off. Of course, there will always be a lot of radio batteries sold, particularly in rural sections where electrical current is not available. But even this sudden development did not catch the National

napping. Its line is too well diversified to bother it greatly if the demand for one of its products falls off.

The National Lead Company also is up against shifting markets. The only way it can survive is through diversification. Radio batteries were an important outlet for lead. So the rise of the electrically operated radio affected National Lead Company just as it affected National Carbon Company. "Lead" meets these problems just as does "Carbon"—by finding new fields, and by keeping a strong selling emphasis on its standby markets. The paint industry is one of "Lead's" principal standbys.

Develop New Zinc Outlets

The New Jersey Zinc Company is another big industrial that is dependent on diversification to keep itself alive. There are innumerable uses for zinc. These uses are continually disappearing. If new outlets were not always being developed, New Jersey Zinc would have a hard row to hoe.

A mistake that the older school of sales managers made was in trying to revive disappearing markets. When an outlet or a product is menaced by fashion, invention or the invasion of outside competition from any source, it frequently does no good to fight the intruder. Barrels of money and much valuable time have been wasted in trying to stem a development of this sort. A better plan is to accept the invader, buy him out or originate a new product or a new outlet to take the place of the one that is being lost. This is rapidly becoming standard marketing practice in most industrial lines.

That is essentially what the United States Steel Corporation did when it bought the Atlas Portland Cement Company several months ago. Cement has long been cutting in heavily on structural steel. To a certain extent this competition has been headed off by the activities of the American Institute of Steel Construction. Just the same, cement will remain a big factor in structural work. United States Steel concluded that it could control this competition better if it owned a substantial interest in the cement business. It controlled Universal Cement for some years, but this is not a large enough factor in the cement industry to have much influence. Atlas, however, has not far from 20 per cent of the country's cement production. Its ownership will give Steel a commanding voice in cement affairs.

In fact, just at present the entire iron and steel trade is in a terrible welter of excitement. This old-maidish industry has all of a sudden be-

come as volatile and as uncertain as the millinery business. Right this minute, I would say that the millinery racket is much more settled and vastly more conservative than is steel. An avalanche of new processes, recently invented alloys and strange methods are pouring in on the bewildered steel trades. A mere catalog of all the technical movements that are taking place in this industry would occupy more space than I can give it in this article.

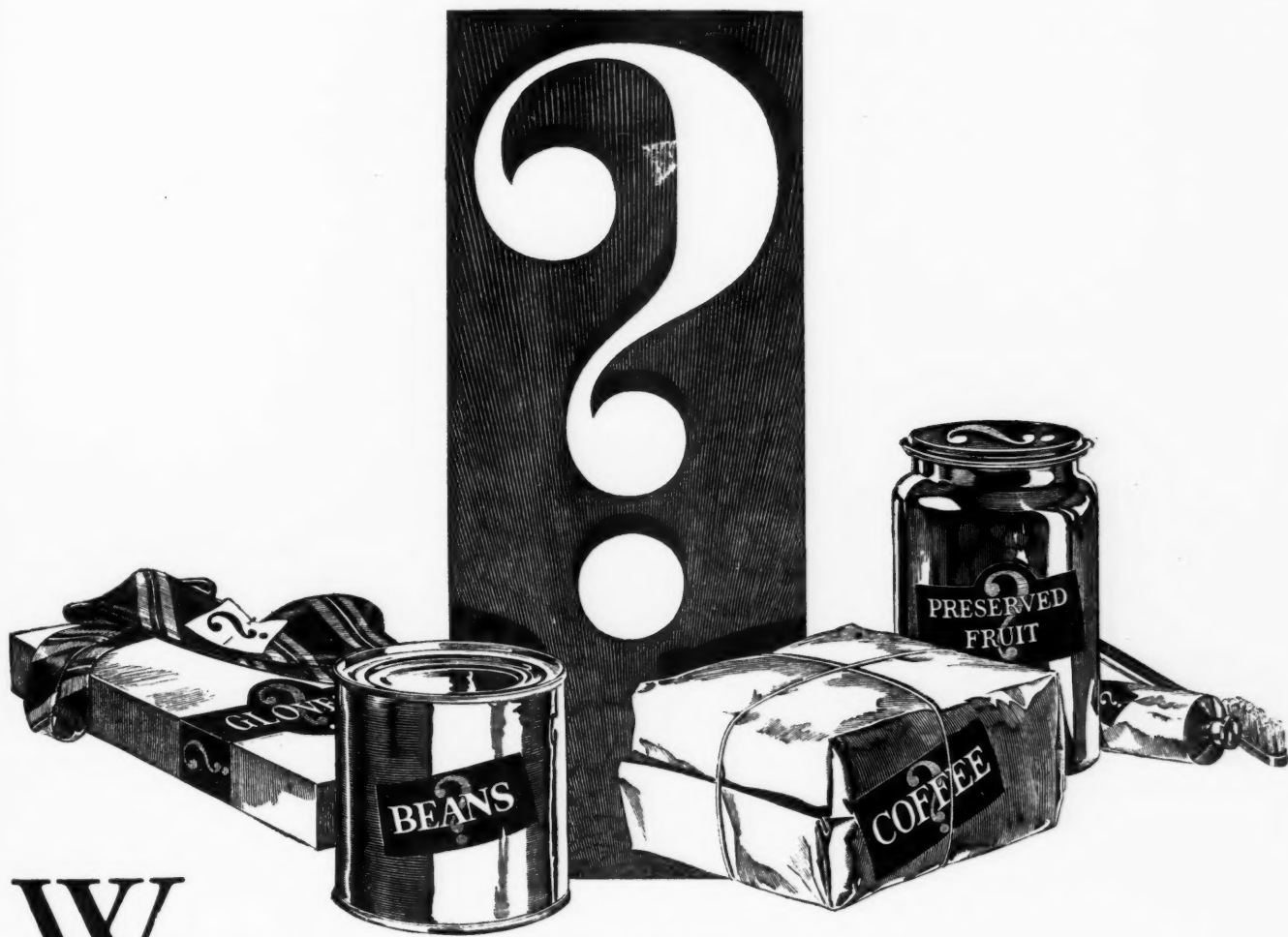
Let it be said to the credit of steel men that they are not running away from this avalanche. Neither are they pooh-poohing its importance. Most of them are trying to get hold of some of these new processes for the benefit of the particular concern with which they are associated. That explains all of the merging, diversifying, licensing and flirting with erstwhile competitors that is going on in the industry.

Metal Trades Also Diversify

Diversification is the order of the day in most of the metal trades. The International Nickel Company, for example, cannot diversify as far as its basic product is concerned. The company is expanding, however, by developing a diversity of uses for its product. It is extensively featuring Monel Metal for a variety of purposes. Monel Metal is a nickel-copper alloy. It is in competition with some of the steel alloys, but is putting up a fine case for itself in its current selling campaign.

There is another big International that is diversifying also. I refer to the International Silver Company. While silver—solid and plated—is its line, it does not hesitate to take an occasional flyer in other wares, such as chromium or pewter.

Both the large fire-fighting apparatus companies are diversification fans. These concerns are the Seagrave Corporation and the American La France & Foamite Corporation. They make a complete line of motorized fire-fighting equipment, such as engines, chemical and hose conveyances, hook-and-ladders, water towers, etc. However, the fire business "ain't what it used to be." Safety campaigns and the precautionary measures that are being taken generally against fires are reducing the proportionate number of fires somewhat and hence is lessening the demand for fire-fighting equipment. Instead the demand is now centering on precautionary apparatus and on devices that will nip a blaze in the bud. That is why Foamite is such an important part of the La France line. This company also produces motor trucks.



WHAT IS BEHIND THE "JUST AS GOOD"?

TWO sorts of products are offered to women when they do their shopping. One is the advertised product.

You know its merits because the manufacturer has published them.

He has put himself on record in the pages of newspapers and great magazines.

He believes in his quality so thoroughly that he wants to tell you about it.

As a matter of good business judgment, as well as conscience and pride, he jealously guards that product's purity, its honest value and accurate weight—for a priceless good-will is at stake.

The names of such products are household words in millions of homes, from the lowest to the highest—the sale of these products is unrestricted to any community or to any group of stores.

On the other side of the picture is the private brand, the "just as good."

Its name is strange to you.

Its merits are unknown. Its advantages are seldom published.

It came into being because women spend twenty-three billion dollars a year for foods alone, and billions more for other articles. The simple and obvious fact is that certain selling organizations and retailers want more of this money for themselves.

And so the anonymous substitute was born.

Back of this just-as-good is usually the desire to make a greater profit on every unit sold—and it stands to reason that a greater profit per unit for the vendor is likely to mean a smaller value for you.

Too often, the private brand is devised to confuse you between value and price.

Because you do not know its quality, you have no way of knowing what it is worth.

It may be offered to you as a "bargain"—at less than the advertised product it seeks to supplant.

It may sometimes be offered to you at prices higher than you would pay for advertised brands—with a claim that it possesses some magic quality higher than your favorite brands have given you!

PICTORIAL REVIEW believes that women should have their eyes opened to this situation.

The editors of Pictorial Review have every reason to know the high standards of excellence which the makers of advertised products can offer you, because this, and other great publications, will advertise only products which we know to be good.

This magazine, issued with the interests of more than two and a half million homes at heart, can see no sound reason for dropping the known to buy the unknown and untested.

Pictorial Review advises you to stick to the brands of published quality—the products which offer honest merit as well as fair price.

❖ Refuse substitutes; buy the advertised brand every time!

❖ Here is the opening advertisement of a series—full pages—metropolitan newspapers—published by PICTORIAL REVIEW in the interests of advertised merchandise.

March Newspaper Lineage in Sixty-One Cities

In the sixty-one cities listed below 7 show gains in total volume of newspaper advertising during March, 1930, compared with March, 1929. The 192 newspapers here assembled carried 171,974,738 lines last month, 20,759,320 lines less than in March, 1929, or a loss of 10.8 per cent. Increases were shown by 37 newspapers, losses by 151, no comparison being made for four. The compilation is from figures obtained by this magazine, the statistical department of the New York *Evening Post*, and the Advertising Record Company:

	1930	1929	Change
Akron	2,490,210	3,350,138	-859,928
Albany	2,222,608	2,488,224	-265,616
Altoona	881,629	1,040,466	-158,837
Atlanta	3,039,932	3,217,760	-177,828
Baltimore	4,140,387	4,113,239	+27,148
Birmingham	2,585,114	3,028,928	-443,814
Boston	5,437,156	6,324,467	-887,311
Buffalo	3,111,115	3,791,086	-679,971
Camden	1,629,775	1,964,321	-334,546
Cedar Rapids	745,165	780,938	-35,773
Chicago	6,941,100	8,790,315	-1,849,215
Cincinnati	3,600,429	3,941,098	-340,669
Cleveland	3,608,542	3,989,180	-380,638
Columbus	3,002,282	3,569,125	-566,843
Dayton	2,876,986	3,083,766	-206,780
Denver	1,963,218	2,296,816	-333,598
Des Moines	1,683,268	1,791,491	-108,223
Detroit	4,926,404	6,056,876	-1,130,472
Fort Worth	2,074,128	2,217,724	-143,596
Gary	854,020	970,307	-136,287
Greensboro	583,380	717,696	-134,316
Hartford	2,482,318	2,781,162	-298,844
Houston	3,230,178	3,413,900	-183,722
Indianapolis	2,794,548	3,265,059	-470,511
Janesville	525,252	510,692	+14,560
Lancaster	717,587	807,943	-90,356
Long Beach	1,631,368	1,751,540	-120,172
Los Angeles	6,036,968	7,042,266	-1,005,298
Louisville	2,941,401	3,408,389	-466,988
Memphis	2,703,036	2,973,838	-270,802
Miami	2,317,707	1,971,130	+346,577
Milwaukee	2,927,632	3,327,138	-399,506
Minneapolis	2,897,592	3,129,493	-231,901
New Bedford	865,358	892,779	-27,421
New Orleans	3,619,653	4,267,763	-648,110
New York	15,045,811	16,913,725	-1,867,914
Newark	1,773,577	1,857,715	-84,138
Oakland	2,217,208	2,429,784	-212,576
Oklahoma City	2,247,890	2,348,905	-101,015
Omaha	1,780,285	1,933,439	-153,154
Philadelphia	6,368,909	7,225,161	-856,252
Portland, Ore.	3,165,428	3,004,526	+160,902
Providence	2,839,658	2,914,964	-75,306
Richmond	1,873,858	2,217,306	-343,448
Rochester	3,201,581	3,422,649	-221,068
St. Louis	3,966,640	4,633,920	-667,280
St. Paul	2,601,550	2,572,192	+29,358
San Francisco	4,176,004	4,125,590	+50,414
Scranton	1,819,949	2,000,940	-180,991
Seattle	2,973,689	3,099,361	-125,672
South Bend	1,719,624	2,100,992	-381,368
Spokane	2,237,318	2,339,246	-101,928
Springfield	1,500,114	1,646,022	-145,908
Tacoma	1,845,158	1,975,932	-130,774
Tampa	1,323,490	1,316,812	+6,678
Toledo	1,689,897	2,216,200	-526,303
Topeka	1,213,310	1,359,120	-145,810
Tulsa	2,042,729	2,305,216	-262,487
Washington	4,246,386	4,770,839	-524,453
Wilkes-Barre	2,379,818	2,842,910	-463,092
Worcester	1,657,411	1,893,559	-236,148

Totals .. 171,974,738 192 734,058 -20,759,320

AKRON			
Times-Press	1,146,793	1,554,374	-407,581
*Beacon Journal	1,343,417	1,795,764	-452,347
Totals	2,490,210	3,350,138	-859,928

ALBANY			
Knicker. Press	755,777	917,644	-161,867
*Eve. News	756,538	733,461	+23,077
Times-Union	710,293	837,119	-126,826

ALTOONA**			
Mirror	62,973 1/2	74,319	-11,345 1/2
**Measurement in inches.			

ATLANTA			
Journal	1,340,850	1,459,934	-119,084
Constitution	1,025,654	1,087,660	-62,006

Georgian & Amer.	673,428	670,166	+3,262
Totals	3,039,932	3,217,760	-177,828

BALTIMORE			
Sun	1,406,428	1,419,611	-13,183
*Eve. Sun	1,443,896	1,541,965	-98,069
American	253,235	167,419	+85,816
*News	726,347	632,575	+93,772
*Post	310,481	351,669	-41,188
Totals	4,140,387	4,113,239	+27,148

BIRMINGHAM			
Age-Herald	718,578	794,976	-76,398
News	1,412,082	1,712,564	-300,482
*Post	454,454	521,388	-66,934
Totals	2,585,114	3,028,928	-443,814

BOSTON			
Herald-Trav.	1,498,772	1,738,574	-239,802
Globe	1,411,080	1,593,648	-182,568
Post	1,110,247	1,353,559	-243,312
*Record (tab)	153,669	129,553	+24,116
Am. and Sun-day Adver.	681,760	776,291	-94,531
*Transcript	581,628	732,842	-151,214
Totals	5,437,156	6,324,467	-887,311

BUFFALO			
Courier-Expr.	907,675	1,063,474	-155,799
Times	808,778	1,272,434	-463,656
*News	1,394,662	1,455,178	-60,516
Totals	3,111,115	3,791,086	-679,971

CAMDEN			
Courier	822,796	1,014,419	-191,623
Post	806,979	949,902	-142,923
Totals	1,629,775	1,964,321	-334,546

CEDAR RAPIDS			
Eve. Gaz. & Rep.	579,033	608,549	-29,516
Sun. Gaz. & Rep.	166,132	172,389	-6,257
Totals	745,165	780,938	-35,773

CHICAGO			
*Daily News	1,569,633	1,950,492	-380,859
Tribune	2,536,869	3,243,309	-706,440
Herald-Exam.	988,449	1,518,132	-529,683
*Post	381,078	433,284	-52,206
*American	1,052,445	1,312,128	-259,683
*Times	412,626	412,626	0
*Journal	332,970	332,970	0
Totals	6,941,100	8,790,315	-1,849,215

CINCINNATI			
*Post	813,876	944,874	-130,998
*Times-Star	1,249,808	1,406,468	-156,660
Enquirer	1,249,850	1,330,546	-80,696
Tribune	286,895	259,210	+27,685
Totals	3,600,429	3,941,098	-340,669

CLEVELAND			
Plain Dealer	1,406,462	1,556,361	-149,899
News-Leader	936,384	1,010,916	-74,532
*Press	1,265,696	1,421,903	-156,207
Totals	3,608,542	3,989,180	-380,638

COLUMBUS			
Dispatch	1,631,954	1,985,547	-353,593
Journal	459,637	538,021	-78,384
Citizen	910,691	1,045,557	-134,866
Totals	3,002,282	3,569,125	-566,843

DAYTON			
News	1,360,604	1,500,100	-139,496
*Herald	914,424	927,318	-12,894
Journal	601,958	656,348	-54,390
Totals	2,876,986	3,083,766	-206,780

DENVER			
News	626,437	843,032	-216,595
Post	1,336,781	1,453,784	-117,003
Totals	1,963,218	2,296,816	-333,598

DES MOINES			
Register	788,679	817,501	-28,822
*Tribune	894,589	973,990	-79,401
Totals	1,683,268	1,791,491	-108,223

DETROIT			
News	2,438,478	3,069,360	-630,882
Times	1,109,346	1,512,742	-403,396
Free Press	1,153,532	1,474,774	-319,242
*Detroit Daily (tab)	223,048	223,048	0
Totals	4,926,404	6,056,876	-1,130,472

Detroit Daily started publication June 3, 1929.

FORT WORTH			
Star-Telegram	988,008	1,096,662	-108,654
Record-Telegram	456,092	523,698	-67,606
Press	630,028	597,364	+32,664
Totals	2,074,128	2,217,724	-143,596

GARY			
*Post-Tribune	834,020	970,307	-136,287
GREENSBORO**			
Daily News	41,670	51,264	-9,594
**Measurement in inches.			

HARTFORD			
Courant	996,801	1,130,026	-133,225
*Times	1,485,517	1,651,136	-165,619
Totals	2,482,318	2,781,162	-298,844

HOUSTON			
Chronicle	1,409,954	1,438,206	-28,252
Post-Dispatch	1,212,834	1,305,948	-93,114
*Press	607,390	669,746	-62,356
Totals	3,230,178	3,413,900	-183,722

INDIANAPOLIS			
*News	1,347,783	1,597,479	-249,696
Star	967,692	1,107,273	-139,581
*Times	479,073	560,307	-81,234
Totals	2,794,548	3,265,059	-470,511

JANESVILLE			
Gazette	525,252	510,692	+14,560

LANCASTER**			
Intellig. Jour. (M) & New Era (E)	717,587	807,943	-90,356
**Intelligencer Journal and Lancaster New Era are enforced combination—all advertising must appear in both papers.			

LONG BEACH			
Press-Telegram	997,640	1,149,274	-151,634
Sun	633,728	602,266	+31,462
Totals	1,631,368	1,751,540	-120,172

LOS ANGELES			
Times	1,812,566	2,158,604	-346,038
Examiner	1,661,982	1,914,206	-252,224
*Express	640,108	791,042	-150,934
*Herald	1,266,804	1,422,484	-155,680
*Record	339,696	387,562	-47,866
News (tab)	315,812	368,368	-52,556
Totals	6,036,968	7,042,266	-1,005,298

LOUISVILLE			
Courier-Jour.	1,253,096	1,349,735	-96,639
Herald-Post	777,086	926,999	-149,913
*Times	911,219	1,131,655	-220,436
Totals	2,941,401	3,408,389	-466,988

MEMPHIS			
Com. Appeal	1,251,103	1,383,263	-132,160
*Eve. Appeal	756,077	718,011	+38,066
*Press Scimitar	695,856	872,564	-176,708
Totals	2,703,036	2,973,838	-270,802

Totals	2,703,036	2,973,838	—270,802
MIAMI**			
Herald	105,057	88,396½	+ 16,660½
News	60,493½	52,398½	+ 8,095

Practical Plans for Paying Specialty Salesmen

BY RICHARD C. HAY

No. 3. How the Salary and Bonus or Commission Works Out for the Manufacturer*

IT is most interesting to note the number of sales managers of specialty selling organizations who feel that the salary plus bonus or commission is the best method for paying salesmen. Most of the men who have expressed this opinion say that they have also made a thorough test of the straight commission method of paying salesmen, and the drawing account with commission. M. E. Simpson, vice-president in charge of sales of Electrol, Inc., summarizes his objections to the commission and drawing account commission payment method in a very excellent manner:

"I object to the drawing account method in that the salesman, if he be in the red, feels that he is working against a dead horse. From the management's viewpoint it makes little difference whether a weekly wage is paid or a drawing account. A man who is considered non-productive would not be kept on the payroll in either case. Moreover, money advanced as drawing account would be lost in the case of a man who failed to produce, just as if it had been a wage in the first place. Straight salary in this line lacks the incentive given by commission and bonus."

Electrol uses a plan favored by Mr. Simpson. All salesmen are paid a weekly salary of \$35 and, in addition, a commission of 5 per cent on total sales, except that 3 per cent commission is paid on contracts sold at a discount on special jobs. For any month in which a salesman's total sales are \$2,000 or more he receives the following bonus on total month's sales:—

Bonus	Total Sales
1 % \$2,000 to \$2,999.99
1½ % 3,000 to 3,999.99
2 % 4,000 to 4,999.99
2½ % 5,000 to 5,999.99
3 % 6,000 to 6,999.99
3½ % 7,000 to 7,999.99
4 % 8,000 or more

*The conclusion to an article in the April 19 issue.

Salaries are paid each Saturday. Commissions from the fifteenth to the first of the month are paid on the fifth and those from the first to the fifteenth are paid on the twentieth of each month. Monthly bonuses are paid on the fifth of each month. This plan is working out very well for Electrol, and a similar plan is used by many other oil burner manufacturers.

The May Westchester Oil Burner Corporation pay their salesmen a straight salary of \$35 a week and a monthly bonus varying from 3 per cent on the net amount of the sale of two oil burners to 7 per cent on the net amount of the sale of five burners. On the net amount of six burners or over, the May Westchester salesmen are paid 7½ per cent.

International Burners' Plan

A variation of this method is used by the International Burners Corporation, of which G. H. Rittenhouse is director of sales. This plan is described by Mr. Rittenhouse as follows:

"We pay salesmen a straight salary averaging \$25 a week and give them the privilege of drawing \$25 a week against their commissions. In addition, we pay an 8 per cent commission on every sale, the only charges against this commission being the \$25-a-week drawing account, and any other traveling or special expenses they incur and charge to us.

"This does many things. In the first place, the straight salary gives us the right to direct the salesman, have him go where we tell him, and have him report to us regularly. However, the size of this salary merely pays day-by-day expenses, therefore, in order that he may have a little extra money in his pocket we permit him to draw \$25 a week against his commission. This keeps him happy, we feel, as far as his weekly expenditures go. Then when he makes a sale, his account is credited with 8 per cent of the total amount of the sale, and in most cases we have found that the charges

against these commissions are very small. In other words, his net return is \$25 a week salary plus an 8 per cent commission.

"The commission part of this plan gives him the incentive, the salary part makes him directly responsible to the sales department, and the drawing account feature gives him his extra pocket money."

The plan used by the Cleveland Steel Products Corporation, with the plans previously mentioned, gives a fair picture of the possibilities of the salary and drawing account with commission method of payment. D. G. Spahr, sales manager, oil burner division, of Cleveland Steel Products, says about his payment plan:

"We pay our retail salesmen a salary of \$150 a month. In addition, we pay a commission of 5 per cent on all sales if monthly volume is under \$2,000, and:

Bonus	Total Sales
6%	.. \$2,000 to \$3,999.99
7%	.. 4,000 to 5,999.99
8%	.. 6,000 to 7,999.99
9%	.. 8,000 or over

"This commission is in addition to the salary and has worked out very satisfactorily, so that the sales cost at no time exceeds 13 per cent."

Many sales managers find that their business requires a type of development work on the part of salesmen and a careful selection of prospects which is difficult to obtain under any other form of remuneration than the salary plus bonus or commission. By paying salesmen a salary, they secure the control over the activities of their salesmen which they feel is necessary, and then, by adding a bonus after a certain minimum volume of net sales has been reached, they supply the incentive through extra and added volume. Another consideration which generally brings about a salary and bonus or commission basis of payment is the task of selling in smaller localities. A company recognizing the necessity for a payment plan especially adapted to this type of territory

is Royal Typewriter, which pays managers and salesmen in smaller localities where mass selling is limited a salary and commission. Many companies follow this same method and, in fact, it is almost necessary to pay a salesman working in these thin markets some sort of salary.

In this study of payment plans used by specialty manufacturers and dealers it is interesting to find a leading manufacturer of washing machines advocating and using a straight salary payment method. Haag Brothers Company, manufacturers of Haag electric and power washing machines, use this straight salary payment method. Hugh Silcott, general sales manager, comments thus on his plan:

"We believe that the best method for paying retail specialty salesmen, at least in our line, is on a straight salary basis. If the dealer will take as much care in the selection of his salesmen as in the selection of his office personnel, and will put them in the proper position to do business, supporting them with advertising, correct prices and right sort of instruction, we believe he will build a more permanent organization than by using the commission plan of compensation—used so widely. The tendency when the commission plan is used is to be rather careless in selection of salesmen and to give them little or no supervision or instruction. Of course, the natural result is that they drop off and a large turnover is encountered.

Turnover Apt to Be High

"Some public utility companies get by very well by paying appliance salesmen a very small salary and a certain per cent on each unit sold and when there is a wide variety of lines to sell in all seasons the turnover seems to be held down fairly well.

"However, experience has proven that in the case of washing machine dealers using the commission plan the turnover is very high and not very many permanent and lasting organizations have been built that way."

Many companies using the straight commission or drawing account-commission method for their regular senior salesmen make a practice of starting new salesmen on a small weekly salary through the initial trial and training period, discontinuing the salary after the salesman has had sufficient training to work on a straight commission and earn a living wage. The National Cash Register Company, for example, follows this method. The reasons for this plan and the methods used are described by Robert Friedel, general manager of the Elin Appliance Company:

"After weighing all methods, we have concluded that the best is to pay a salary the first week or two a salesman is with the company. This plan enables one to sell him the product and, after this period, he can be put on a straight commission basis, selling the salesman first on the idea that it is possible to earn more on a straight commission basis than on a salary and commission. It is necessary to produce one or two sales for that man while he is training, to prove that it is possible to earn two or three times the money on a straight commission basis over a salary and commission basis."

In concluding this discussion of the three leading methods of paying specialty salesmen, it should be noted that the fact that the majority of specialty manufacturers favor paying

This concludes Mr. Hay's discussion of payment plans. In his next two articles he will discuss sales training plans that will improve results from compensation methods, and the effects on the compensation plan of the careful selection and training of salesmen. These two phases of sales management bear a close relationship to compensation problems, Mr. Hay shows.

salesmen a small weekly salary with a bonus or commission for sales above a certain amount is in accord with conditions existing today in this field. Not so many years ago it was the principal idea of specialty sales managers to "high pressure" their sales work, to use only high-pressure salesmen and men who could clean up a territory quickly. Sales managers at that time lost sight of the fact that their sins would undoubtedly pursue them. Today, a different and much more sensible type of salesmanship is in vogue, that which takes into account the rights and opinions of the ultimate consumer; that which realizes the importance of maintaining the good will of the dealer as well as of the consumer; and that, in lesser degree, which considers "one-shot selling" bad for business generally, as well as for a particular business.

For the new business the straight commission method of payment is undoubtedly almost a necessity. As a specialty business gains stability and becomes well established, it tends to

turn to the drawing account-commission basis of payment. And as time passes and the business becomes a well-seasoned institution, it usually adopts the plan of paying a living wage in the form of a salary with a bonus or commission to the salesman when he gets results above a fixed minimum. This latter plan is unquestionably the best one of the three from every point of view, and if administered properly by the sales manager, will not only develop results that compare very well with any other system of payment, but will also leave the company in a clean, strong position, with maintained and increasing good will.

Attention, Sales Managers' Associations!

SALES MANAGEMENT wishes to check and complete a list of the various sales managers' associations all over the country so that certain helpful data can be furnished these groups for use in meetings, or for the individual use of members.

Our list at present includes associations in these cities:

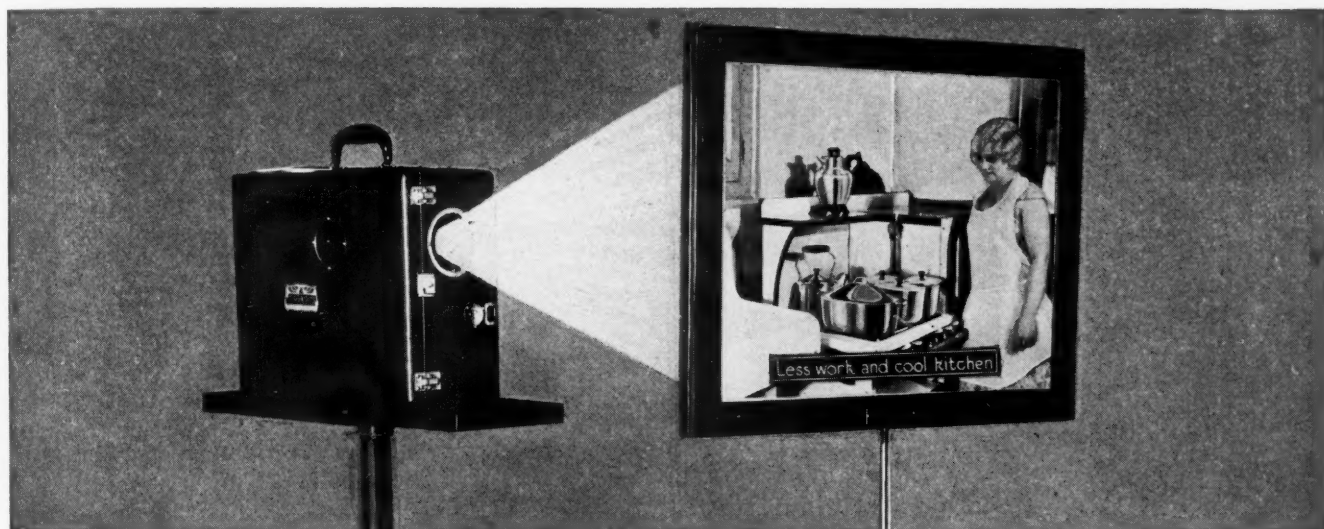
Baltimore
Boston
Chicago
Cleveland
Columbus
Hartford
Kansas City
Los Angeles
Milwaukee
Minneapolis
New York
Philadelphia
Pittsburgh
Rochester
St. Louis
San Francisco
Seattle
Spokane
Tacoma

The editors will appreciate a letter from any association secretaries in any city not listed with the names of club officers.

Western Oil Stations Start Group Program

To popularize the service stations of Van Fleet-Durkee, Inc., operating 650 units throughout the Pacific Coast, an advertising campaign has been launched in 120 newspapers from Mexico to Canada and as far East as Spokane. James Houlihan, Inc., Oakland, California, is in charge.

Shows your product by day or night



CONTINUOUS pictures of your product or service at negligible cost by using this silent salesman—S. V. E. Automatic Picturol Projector. The nearest electric light socket provides power and light. Portable, size of small suit-case. Pictures on non-inflammable small rolls of film. Views automatically shown in succession. Machine runs long periods without attention; quiet, efficient.

Use in available store or bank window at night. Excellent equipment to tell complete sales story at conventions, fairs, railway stations.

The Society for Visual Education is

the designer and manufacturer of the S. V. E. Automatic Picturol Projector, the manually operated S. V. E. Picturol Projector (S. V. E. Jam Handy Explainer) and the unique S. V. E. Jam Handy Pocket Explainer, distributed by the Jam Handy Picture Service (Newspapers' Film Corporation).

SOCIETY FOR VISUAL EDUCATION, Inc.
Dept. 240, 327 S. LaSalle St.
Chicago, Illinois

Please send details about the machines checked.
The S.V.E. Automatic Picturol Projector
The manually operated S.V.E. Picturol Projector
The S.V.E. Jam Handy Pocket Explainer

Name _____ Position _____

Address _____

City _____ State _____

S V E SOCIETY FOR VISUAL EDUCATION, INC. **S V E**
Manufacturers, Producers and Distributors of Visual Aids
327 SOUTH LASALLE STREET CHICAGO, ILLINOIS.

One of a series of articles

BY FRANKLIN JOHNSTON

Can American Sales Methods Be Transplanted Overseas?

AN automobile sales promotion man was sent down to a South American market to pep up the selling methods of the local distributor.

"People are all alike," he told the distributor "and I am going to use exactly the same methods I would in Cleveland."

"Let me have one of our new models and a list of your twenty best prospects. I will call on their wives and take each one for a ride. They will then sell their husbands. It's a sure plan. What do you say?"

"It is very interesting," said the South American merchant. "But may I suggest that you arrange first with the American consul to have your remains sent home to your family?" Husbands, down there, are funny that way.

Go-getting sales methods must be adapted to local customs and social prejudices. It is an old story that the

best salesmanship abroad is to say nothing about an order until just before your steamer sails.

A lot of this is exaggeration but a lot of it is based on the truth, that the overseas buyer will not usually be pushed into a purchase.

Some years ago one of our largest corporations found that one of their distributors in South America had registered their trade-mark in his name. The home office wrote a stinging rebuke and demanded transfer of the trade-mark. Deserved, no doubt, but resented nonetheless. A long drawn out, acrimonious correspondence resulted, and a deadlock in sales.

The South American field man went down to straighten it out. The defiant merchant met him at the dock—not in his official capacity but as a friend. After preliminary greetings the South American said "I suppose you've heard of the fight I'm having with the factory."

"Yes, but let's not talk business today," replied the factory representative. "Tonight you and I are going to have a nice dinner and a good time. Tomorrow we will talk business."

Dinner was arranged for seven that evening. At six-thirty the South American called at his host's hotel and handed him the transfer of the trade-mark. "There's your trade-mark," he said, "I can't enjoy myself with this thing unsettled. Take it back. Now we can enjoy ourselves." And a good time was had by both.

The American successful abroad is not a denatured expatriate. Some of the most successful are the most American in the sense of breezy, informal personality. But they must have the knack of sensing the other man's point of view and the nuances of strange conditions and atmosphere.

Human nature is more or less the same all over the world—but not quite.



Ewing Galloway Photo

Should the automobile salesman try the tactics of appealing to the buyer through his wife, in South America, as he often does here in the United States, his career would probably terminate violently and suddenly. Husbands, down there, are funny that way.

Try this *on* your viewpoint

Statistical "reasons why" projected against the screen of Chicago's tremendous population sometimes seem less vital than they really are. Hence such a fact as the Chicago Evening American's circulation leadership in its field of more than 110,000 copies (government circulation reports for six months ending March 31, 1930) may be held lightly by a mind filled with a picture of more than three million people.

But brought into proper focus that leadership is a vital point to advertisers. Because it means that 110,000 more adult newspaper *buyers* and several times that number of readers prefer the Chicago Evening Ameri-

can to any other Chicago evening paper.

Under proper appraisal this difference of 110,000 buyers is discovered to be of very major consequence. The circulation of the Chicago Evening American for the period of the reports mentioned above was 569,167, and that of the next Chicago evening paper in point of circulation was 458,223. *The difference between the greater and the lesser figures equals nearly 25 per cent of the lesser!*

For what that difference represents in buying power we suggest a conference with the Boone Man.

CHICAGO EVENING AMERICAN

a *good* newspaper

Now in its *NINTH YEAR* of circulation leadership
in Chicago's evening field

National Representatives: RODNEY E. BOONE ORGANIZATION



Does "Forced Distribution" Ever Pay?

BY D. A. HAGGERTY

Sales Manager, Hinze Ambrosia, Inc.
New York City

While there is often considerable dynamite in plans which involve strong-arm tactics in getting retailers to stock new line, here is one case where such selling accomplished its object successfully.

Modernized containers were one big factor in the Ambrosia sales plan.

HINZE AMBROSIA, INC., achieved national distribution in both the United States and Canada within eight months' time, through more than 30,000 jobber-selected retail drug outlets and department stores. The means used to accomplish this was forced distribution, backed by national magazine advertising. This distribution was radical in three respects: first, it gave a substantial free goods offer to the retailer; second, it was national instead of being progressive by sections; third, while it was direct to the retailer, it definitely tied in with his particular jobber.

The forced distribution of Ambrosia reversed the usual order of merchandising. Company executives felt that retailer resistance to a new item introduced through the ordinary channels was such as to make other methods imperative. Countless times the retailer had stocked merchandise, leaving the proof of its salability to the individual's capacity to introduce it to the public. Too often retailers purchased

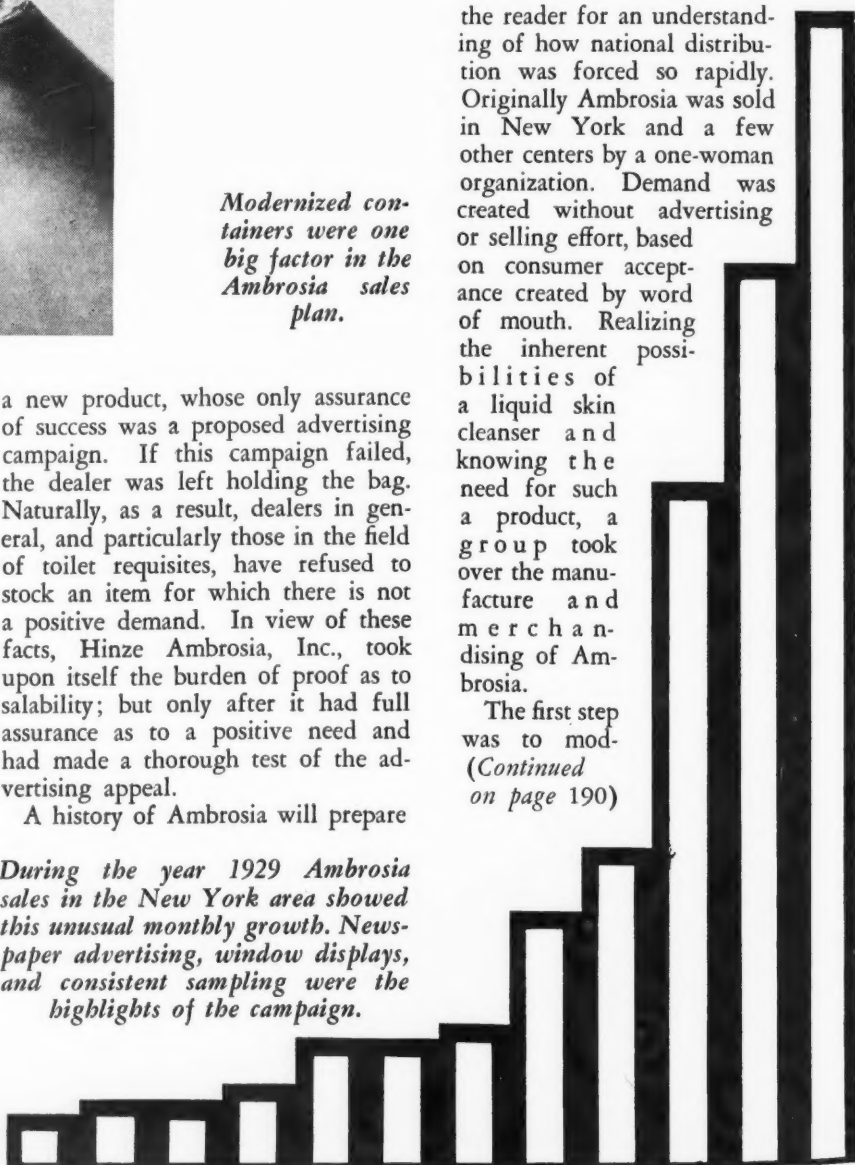
a new product, whose only assurance of success was a proposed advertising campaign. If this campaign failed, the dealer was left holding the bag. Naturally, as a result, dealers in general, and particularly those in the field of toilet requisites, have refused to stock an item for which there is not a positive demand. In view of these facts, Hinze Ambrosia, Inc., took upon itself the burden of proof as to salability; but only after it had full assurance as to a positive need and had made a thorough test of the advertising appeal.

A history of Ambrosia will prepare

During the year 1929 Ambrosia sales in the New York area showed this unusual monthly growth. Newspaper advertising, window displays, and consistent sampling were the highlights of the campaign.

the reader for an understanding of how national distribution was forced so rapidly. Originally Ambrosia was sold in New York and a few other centers by a one-woman organization. Demand was created without advertising or selling effort, based on consumer acceptance created by word of mouth. Realizing the inherent possibilities of a liquid skin cleanser and knowing the need for such a product, a group took over the manufacture and merchandising of Ambrosia.

The first step was to mod-
(Continued
on page 190)





SETTING A TERRIFIC PACE

The Star League of Indiana

Save
5¢
A LINE BY
USING THIS
EXCEPTIONAL
COMBINATION

KELLY-SMITH COMPANY . . . REPRESENT-
ATIVES . . . NEW YORK . . . ATLANTA . . .
DETROIT . . . CHICAGO . . . BOSTON . . .
PHILADELPHIA

The aggregate volume of business is steadily mounting in the Indianapolis, Terre Haute and Muncie territories! Sales competition is intensifying! With continuously increasing Daily and Sunday circulations . . . equalized in city and suburban districts . . . The Star League Newspapers of Indiana bring to advertisers multiplied sales power with which to wrest profits from three rich, profitable trading areas!

March Net Paid Circulation

Indianapolis Star (Daily)	116,435
Muncie Star (Daily)	23,768
Terre Haute Star-Post (Daily)	42,525
Star League of Indiana (Daily)	182,728
Star League of Indiana (Sunday)	191,881

. . . . **INDIANAPOLIS STAR**
 **MUNCIE STAR**
 **TERRE HAUTE STAR-POST**

Woolworth Tests Food Brands; May Resume Advertising Soon

F. W. Woolworth Company is increasing the number of nationally advertised brands in its stores, SALES MANAGEMENT learned from officials of the company this week.

The company started to carry advertised lines, on its drug counters, about three years ago, and the number of these products has now been increased to about forty.

Advertised grocery products are now being tested in several of its Eastern stores. These tests, run only on certain days of the week and usually on ten-cent sizes, will determine whether or not advertised food lines will be extended to all of the 1,825 Woolworth stores in this country.

The Woolworth company, largest variety store chain in the United States, with a volume last year of \$303,047,172, now operates about 2,250 stores in the United States, Canada, England, Germany and Cuba. The foreign stores concentrate chiefly on products made in the respective countries.

In its present form, Woolworth is a combination of six companies brought together by Frank W. Woolworth in 1912. Mr. Woolworth's chain was established in 1879. Since 1912 the number of stores has been increased four times, the gross sales four and two-tenths times, and the net income about six times.

Except for Loraine hair nets, a nationally advertised product sold exclusively through its stores, Woolworth has expanded chiefly on private brands. Until last year, neither has it done any advertising of its own. In celebration of its fiftieth anniversary, Woolworth's long silence was broken last spring when more than \$1,000,000 was appropriated for a brief but intensive campaign in magazines and booklets.

Although this campaign had no tangible effects on the company's volume in 1929, officials believe it was helpful in focusing public attention upon the stores and the services they render. The board of directors of the company will meet soon to decide whether or not this campaign will be resumed on a permanent basis. The Woolworth agency is Catherine McNellis-Hugh Weir, Inc., New York.

Among the grocery product brands which Woolworth is now selling are Heinz vinegar and baked beans; Durkee spices and salad dressing; Cudahy meats; Gulden's mustard; Royal Scarlet canned fruits; White Rose tea; P &

G and Fairy soap and American and National sugar.

Nationally advertised products are also being displayed in other departments of the Woolworth stores. They include pencils, fountain pens, candy, razors and machine oil.

The drug products—the list of which is growing yearly—include practically all standard brands of tooth paste, manicure articles, shaving and other soaps, hair tonic, cosmetics, Vaseline and deodorants.

The advertised products are merely displayed with the company's other merchandise. Woolworth officials are endeavoring to ascertain whether their better reputation will cause them to be sold more rapidly than the private brands.



W. S. Rugg, who is now in charge of sales activities for Westinghouse.

Extend Ezy-2-Tan Campaign

Ezy-2-Tan, sun-tan product of Morgan Laboratories, Hollywood, will be advertised soon in a magazine and newspaper program to cover the Pacific Coast and Florida. This campaign is an extension of a local program in Southern California. National advertising may follow. Emil Brisacher and Staff is handling the account.

Oakland Promotes Blees

W. A. Blees has been appointed vice-president in charge of sales of the Oakland Motor Car Company, Pontiac, Michigan, succeeding W. R. Tracy, resigned. He was formerly general sales manager.

National Dairy-Kraft Merger Is Ratified; Biggest Food Firm

The largest food-producing organization in America, with assets of \$240,000,000 and annual sales of more than \$400,000,000, was formed this week through the formal acquisition by National Dairy Products of the Kraft-Phenix Cheese Corporation.

Stockholders of National Dairy, a holding corporation, voted to increase the capital stock from 6,000,000 to 10,000,000 shares to provide money for the acquisition.

Kraft-Phenix is the largest cheese producer in America with assets of \$50,000,000 and annual sales volume of \$86,000,000.

The deal also includes acquisition by National Dairy of Southern Dairies Corporation, sales of which last year were \$10,000,000.

Nucleus of National Dairy Products Corporation, and probably its largest unit, is the Sheffield Farms Company.

Rugg Assumes Direction of Westinghouse Sales

W. S. Rugg, vice-president in charge of engineering, has been placed in charge of sales activities of the Westinghouse Electric & Manufacturing Company, with headquarters at East Pittsburgh. He takes over the duties of Edward D. Kilburn, vice-president and general sales manager, resigned. S. M. Kintner, director of the Westinghouse research laboratory, is now assistant to Mr. Rugg in the engineering division.

Mr. Rugg has been with the company for thirty-eight years, in sales and engineering capacities. In 1920 he became assistant to H. D. Shute, then vice-president in charge of sales, and two years later was made general sales manager.

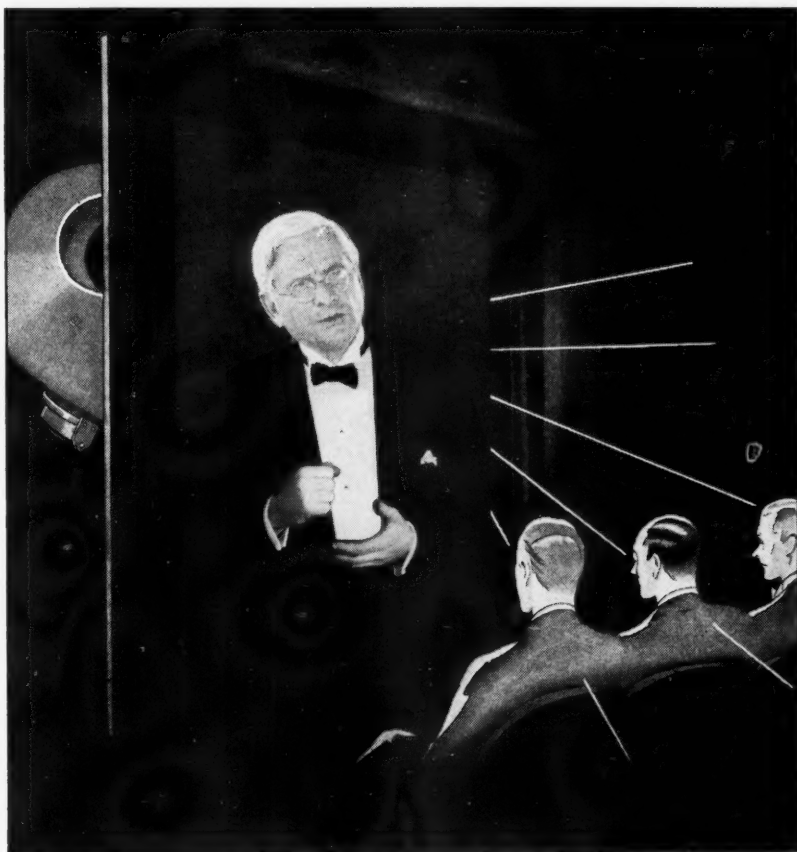
Mr. Kilburn has established his own business in the Westinghouse Building, 150 Broadway, New York.

Grant Chain Adds Units

W. T. Grant Company, variety store chain, with headquarters in New York, announced this week plans to open fifty-five new stores in 1930. Sites for forty-four of them have already been leased or are being negotiated.

John G. Byler, formerly assistant treasurer, has just been elected treasurer and R. W. Story, secretary and controller of the company, as part of its development program.

The Altnow-Singleton Advertising Agency of Seattle, is now located at 1411 Fourth Avenue Building.



Makes personal appearance in 10 cities at once

*President White of Armour & Co.
seen and heard in Talking Pictures*

Now the busy business man can send his talking picture to distant conventions. A screen talk by F. Edson White, President of Armour & Company was seen and heard at eleven executive meetings all at the same time. "It worked to the height of perfection," Mr. White writes.

Talking Pictures are vivid and realistic. They will make a human and valuable record of personalities and events in your company; they will teach your personnel methods and processes in a manner more understandable and absorbing than was ever before possible through any mechani-

cal medium. They will give your public a compelling story of what is back of your business and how your product is made.

Western Electric, the makers of the nation's telephones, now offers business men *portable* talking picture equipment which assures clear and life-like sound reproduction. Use the coupon below. Send for further data. Better yet, see and hear an actual demonstration of industrial Talking Pictures at a nearby office of Electrical Research Products Inc., distributors of the equipment.

Electrical Research Products Inc.

Distributors of

Western Electric

PORTABLE TALKING PICTURE EQUIPMENT

Electrical Research Products Inc.

250 West 57th Street, New York, N. Y.

Gentlemen:

Please send booklet telling how I can use Talking Pictures.

Name _____

Address _____

SM-1



Photo by Keystone View

The first drastic change in the Climalene package since the company was organized in 1907 has been made. The new package, of two tones of blue, is in keeping with the modern trend in conventionalized designs. A feature long used to identify Climalene, the windmill design, was retained on the new package, etched in white against a light blue background.

Albers Quits Kroger; New Group Effects Reorganization

William H. Albers, for the last month chairman of the board, and for a number of years president, of Kroger Grocery & Baking Company, Cincinnati, resigned this week, as part of a reorganization program now being effected by Albert H. Morrill, who succeeded Mr. Albers as president. His position will not be filled.

Colonel C. O. Sherrill, city manager of Cincinnati for the last four and a half years, has been elected vice-president, and C. M. Robertson, treasurer. Colonel Sherrill will remain in his present position until the City Council appoints a successor. He will replace Adam L. Nagel, resigned.

Mr. Robertson, formerly treasurer of the Baldwin Piano Company, replaces B. H. Kroger, Jr., resigned.

Although Kroger's sales increased \$80,000,000 last year—only \$4,000,000 less than A. & P., the largest grocery chain—its net profits for that period gained only about \$1,000,000, as compared with more than \$2,500,000 for the other chain. Kroger operates about 5,600 stores, chiefly in the Middle West.

Duffy Joins Lackawanna

James P. Duffy has resigned as sales promotion manager of Hipp-Didisheim, Company, Inc., watch manufacturer, to join the Delaware, Lackawanna & Western Coal Company, New York.

Republic Steel Names Four Sales Executives

H. T. Gilbert, who has just been appointed vice-president in charge of sales of the Republic Steel Corporation, formed recently through the merger of four large Middlewestern steel companies, announced this week the sales executive personnel as follows:

A. E. Walker, who has been general sales manager of Republic Iron & Steel, assistant vice-president; J. M. Schlenders, formerly vice-president in charge of sales of Central Alloy Steel, sales manager of alloy steel products; Norman Foy, Birmingham district manager in the old Republic organization, sales manager of mild steel products, with headquarters at Youngstown.

A. A. A. to Inaugurate a National Magazine

Holiday, a national monthly magazine of adventure, recreation and travel, with initial circulation of 200,000, will be launched next October by the American Automobile Association.

Ernest N. Smith, executive vice-president of the association, is editor and publisher; Frank A. Eaton, recently managing editor of the *Sportsman*, managing editor, and C. W. Fuller who has been advertising manager of *College Humor*, advertising manager.

Southern California Launches Campaign for Vacationists

Seventy-nine newspapers in forty-seven large cities and nineteen magazines have been scheduled to carry a spring advertising campaign of the All-Year Club of Southern California, which will run through the rest of April, May and June, Don Thomas, executive secretary, announced this week.

The campaign is selling the summer resort attractions of the ten Southern counties of California, from Santa Barbara to San Diego, Mr. Thomas said, and is intended to attract a large proportion of the approximately 13,315,727 United States families who take annual vacation trips to that part of the country.

It features an itinerary, printed in rotogravure, and illustrated with Southern California scenes, which will be mailed out in response to inquiries. "The itinerary has been especially designed for two-week vacationists, who would like to visit Southern California for the first time," Mr. Thomas pointed out. "It shows how they may spend seven to eleven sight-seeing days here and details what their expenses will be."

Detroit Starts Drive for Advertising Fund

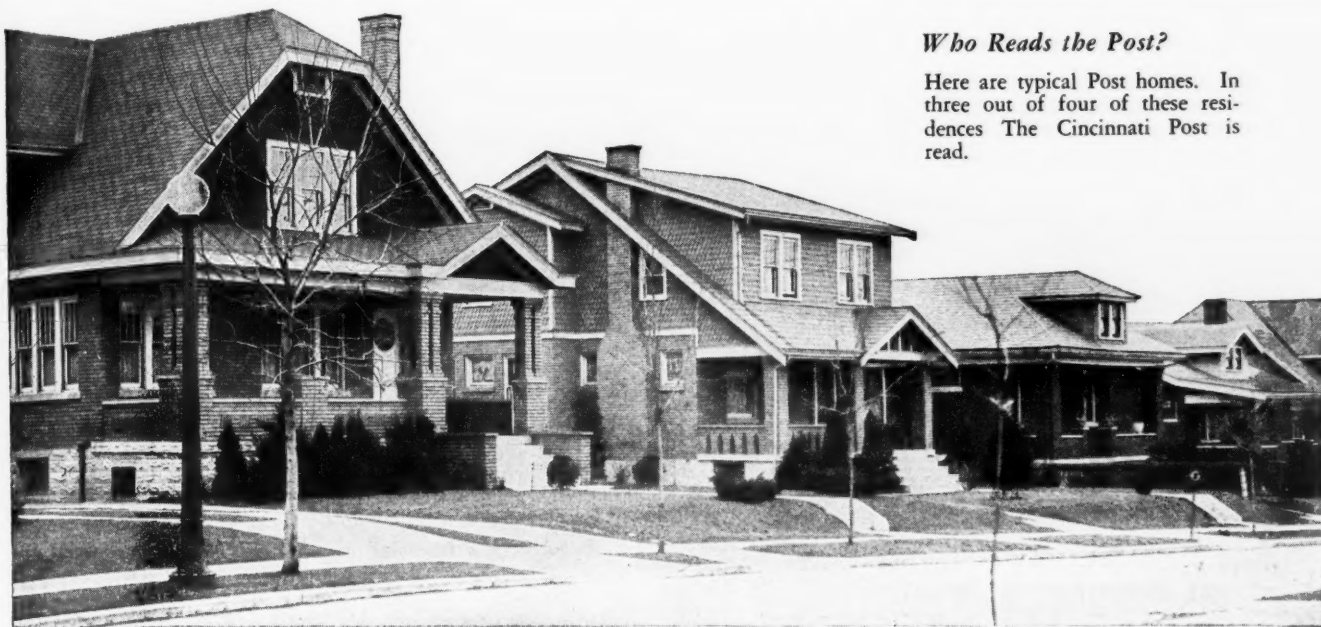
A drive to raise \$1,000,000 to advertise Detroit over a three-year period, will start next Wednesday, April 30, when Harvey J. Campbell, chairman, will announce a plan of action to 750 members of the "sales army."

Eighteen page advertisements emphasizing the value to the city of the \$386,000,000 left there by visitors since the first of 1927, when a community advertising program was inaugurated, will be run in Detroit newspapers. The advertisements were prepared by members of the Adcraft Club under the supervision of Ward H. Marsh and W. R. Ewald.

Rockelman, Ford Chief, Joins Chrysler Motors

Fred L. Rockelman, who resigned recently as director of sales of the Ford Motor Company, after being connected with that company for seventeen years, has joined the Chrysler Corporation, Detroit, in an executive capacity.

He left the Ford organization because of a disagreement over sales policies.



Who Reads the Post?

Here are typical Post homes. In three out of four of these residences The Cincinnati Post is read.

AN INFLUENTIAL

.. 61% A few years ago Cincinnati was an outcast among cities . . . backward, sleepy, unprogressive, in the grasp of a political gang.

Today this city is known from coast to coast as one of the most progressive and, above all, the best governed.

And whereas before, civic institutions called in vain to outside capital to invest in Cincinnati, now have come the executives of the railroads to build a \$40,000,000 railroad terminal; now has come a great builder to erect a 48-story skyscraper; now have come students from all sections to study the new government which has made those changes possible.

This building of the New Cincinnati is the work of 61 per cent of the families in Cincinnati who read the Cincinnati Post. It was the Post which supplied the leadership that sold the city on a new government. This, while three other newspapers were either indifferent or actively hostile.

Post Circulation—

1. City and Suburban.....143,448
2. In the O.K. Market.....162,222
(Cincinnati Trading Area)
3. Total Circulation.....197,021

To understand this, is to understand that the Cincinnati Post is an unusual newspaper. It has unusual influence. It appeals to an unusual group of people—forward-thinking, civic-minded individuals who want the best, not only for their city, but also for themselves.

To reach this progressive, prosperous, influential part of Cincinnati . . . 61 per cent of the Cincinnati Market . . . your copy must appear in the Cincinnati Post.

The Cincinnati Post

A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA

General Foods Wins Record Sales with \$1,000,000 More Advertising

(Continued from page 151)

Using the first week of the experiment as a base, total sales of these products have increased at a rate of 25 to 40 per cent a week. Ten representative grocery stores have been conducting the experiment at Springfield and it is being advertised in newspapers there.

Announcing results of the test, Mr. Chester said he anticipates that the quick frozen process, when extended, will benefit several large industries. "Many of the 4,000 grocery stores in the United States will be potential users of new electrical refrigeration equipment," he explained. "The automobile industry will be called upon for special trucking facilities. Railroads and ships will be used for the transporting of frozen food products over long distances. Farmers will be able to sell perishables which are now at least partially wasted. Housewives will have the equivalent of fresh perishables at all times of the year."

Test Frozen Foods

The Springfield test included packaged meats, fish, oysters, fruits and vegetables—the largest gain from week to week being made in the meat items, particularly the more expensive and larger cuts.

Careful check has been kept to observe the "repeat" business. On a recent Saturday, 76 per cent of the sales were made to customers who had been purchasing frosted foods previously, and the remainder were new customers, accounting for the increased business.

"The number of individual sales made on Saturday, April 5," said Mr. Chester, "increased 33.4 per cent over sales made March 29, the previous Saturday. March 29, in turn, showed an individual sales increase of nearly 40 per cent over Saturday, March 22.

"Total dollar sales for the same two Saturdays increased 40 per cent. It is significant that the rate of increase of dollar sales is higher than the rate of increase in the number of sales made.

"In the four stores where meats were handled prior to the test, Birdseye frosted foods are in direct competition with established meat markets. The rate of sales increase for frosted foods in these combined meat and grocery stores has been more rapid than in the group of ten stores considered as a whole.

"This increase, coming at the con-

clusion of six weeks of continuous operation, seems to establish Birdseye frosted foods on firm ground. Novelty buying may be safely assumed not to have extended over such a considerable period of time."

In an address recently made before the Merchants Association of New York, Mr. Chester pointed out that food absorbs 26 per cent of America's national income. He doubted "if any executive of a national advertiser could justify mathematically his advertising expense to his board of directors.

"It is at best a case of feel, of intuition," he added, "but we are learning each year from experience and, undoubtedly, great headway has been made in establishing a relation between advertising and sales. It still remains true, however, that there is substantial waste. If we were to indict anything for this waste it would be competition."

Vacuum Oil Advertising Will Reach \$2,000,000

Two million dollars—an increase of about \$500,000 over 1929—will be spent in advertising this year by the Vacuum Oil Company, New York, as part of a large expansion program, which includes the enlargement of its system of "factory controlled" service stations throughout the country.

Vacuum, a member of the original Standard Oil group, dissolved nineteen years ago, and which is now contemplating merger with Standard Oil of New York, subject to Government approval, has distribution in every country in the world and in 75,000 communities in the United States.

Until recently it has concentrated on lubricants—chiefly for automotive, industrial and marine purposes. The 1930 expansion plans contemplate the developments of new markets for its new Mobilgas, now being introduced in the East.

Woodbridge Heads Brockway

C. King Woodbridge, head of the industrial division of Prince & Whitely, financial house, New York, and formerly president of the Kelvinator Corporation, Detroit, has been elected chairman of the executive committee of the Brockway Motor Truck Corporation, New York. Mr. Woodbridge is chairman of the Provisional Council of the International Advertising Association.

Hoover Will Greet A. F. A.; Chapple Directs Program

President Hoover will open the Convention of the Advertising Federation of America in Washington, next month—welcoming the delegates on the South lawn of the White House grounds on Monday noon, May 19. He will make a short address.

The delegates will then go to the Hotel Willard where William E. Borah, senator from Idaho, will deliver an address at the opening luncheon, on the convention theme "Advertising: Servant of the Consumer." Bennett Chapple, of the American Rolling Mill Company, Middletown, Ohio, has succeeded Francis H. Sisson, of the Guaranty Trust Company, as general chairman of the program committee. In response to requests of various members of the association, Mr. Sisson will address the annual banquet of the federation on Tuesday evening, May 20—relinquishing the chairmanship in order to accept.

Joseph H. Appel, of John Wanamaker, New York, has been elected treasurer of the federation, to succeed H. R. Swartz of R. Hoe & Company there.

Sun-Maid Raisins Names Trade Sales Managers

John M. Hill, formerly Chicago division manager, Harley B. Lewis, former New York and Pittsburgh divisions manager, and A. M. Kaler, who has been a buyer for Piggly Wiggly Stores at Los Angeles, have been appointed assistant sales managers of the Sun-Maid Raisin Growers, Fresno, California, in charge, respectively, of wholesale grocery, bakery and manufacturing, and chain store trade, Glen S. Ridnour, general sales manager, announced this week.

George H. Murray, who has been Philadelphia manager, is acting in the capacity of contact man with brokers now handling Sun-Maid products, with George I. Taylor, San Francisco broker, assisting him.

Sun-Maid abandoned its division sales offices a few weeks ago. It is now selling independent stores through brokers.

Appoint Devine-Tenney

The Devine-Tenney Corporation, New York City, Chicago and Des Moines, has been appointed national advertising representative of the Fort Madison, Iowa, *Evening Democrat*, and the Mount Pleasant, Iowa, *Evening News*.



IT'S CROSSING THE PLATE THAT MAKES A HOME-RUN COUNT

The copy or advertising idea that deserves credit for being a hit of four-base caliber often misses the recognition it might have had if well-planned follow-up had driven its message home. That's why advertising and sales executives like to see Multigraph equipment in the line-up. It's a great clincher of sales plans.

No matter how beautiful the window trim material, it must be used to be effective. Multigraph reminders are a big help in getting window material used. No matter how sound the selling plan, salesmen must co-operate, or the plan falls flat. Multigraph campaigns have kept many a sales staff on its toes.

Whatever your selling plan may be, it's safe to say there's a way for Multigraph equipment to make it more effective or more economical. Let a Multigraph representative give you details.

THE AMERICAN MULTIGRAPH SALES COMPANY
1832 EAST 40th STREET CLEVELAND, OHIO
137 Wellington St. W., Toronto, Ontario
(or consult your telephone directory)

FOR FINISHED CAMPAIGNS

The MULTIGRAPH

For applying selective selling economy to modern mass merchandising—the Addressing Multigraph.



A Modernized Sales Plan Ushers in a New Era for Bauer & Black

(Continued from page 150)

and even a third week. The increase was 131 per cent over the normal sales of such merchandise for the three-week period.

Six other stores, all in outlying sections of the city, were used to complete the tests. Here are the figures:

Store	Increase over normal sales
A.....	131%
B.....	118%
C.....	46%
D.....	44%
E.....	None
F.....	49%
G.....	75%

Average..... 82%

This average of 82 per cent was the increase shown when both window and counter displays were used. When only the window display appeared, the average increase was only 32 per cent. This definitely proves, according to our belief, that inside displays increase sales approximately 50 per cent.

To back up these figures and to furnish salesmen with still more ammunition for selling skeptical merchants, the first aid window test was run in three cities in Oklahoma: Oklahoma City, Tulsa and Guthrie.

Here's what happened:

	Increase while displayed	Increase next two weeks
A (Oklahoma City)...	128.7	62.5
B (Oklahoma City)....	130.6	76.5
C (Oklahoma City)....	75.3	17.
D (Tulsa)	105.	38.2
E (Tulsa)	53.	15.
F (Guthrie)	123.7	62.5

Average 102.7 54.3

Particularly interesting in the results of this test are the figures which show the buoyancy sales enjoyed for two weeks after the displays were taken out.

Armed with cold facts of this kind, and with an advertising portfolio showing what the company was doing in creating greater demand for the line, the salesmen went to drug dealers with a more constructive sales story than they had ever had before.

In addition to urging better display and more suggestion-selling on the part of the dealers, we began to show them how to develop markets which were lying dormant on their own

doorsteps. In one state, for example, there is a law that all industrial concerns must maintain a first aid service. We went to one of our druggists there and asked him if he knew this. He didn't and we helped him prepare a sales letter to fifteen industrial concerns in his vicinity, using this point as a feature of the message. That druggist got back *twelve* orders. Here was a nice bunch of orders obtained at a minimum cost, representing absolutely new business—business which had been merely waiting for someone to ask for it.

To meet the problem of widening interest in the line, we have developed what we call the "1-2-3 Plan." Each month some one item, or combination of items, is chosen for special promotion. A folder sent out to distributors' salesmen summarizes a plan the retail druggist can use to increase sales on the featured items. The "1" stands for the product—summarizing its sales points. The "2" tells how to sell the druggist. The "3" tells how the druggist can increase his sales. Various counter and interior displays for the particular products are pictured; profit on certain quantities is figured, to show the druggist just how much he makes; and a dozen or more simple ideas for selling by suggestion and tapping new markets are briefly explained.

Closely bound up with the personal sales work is the current advertising campaign, the most extensive ever applied to Bauer & Black products. The 1930 appropriation is approximately \$1,000,000. The advertising developed as a part of the new campaign embodied a fresh slant designed to win further cooperation from old dealers, and to interest new dealers in the line. A large portion of the copy appearing in national periodicals is not what is generally known as "consumer" copy, but is rather written to sell the retail druggist to the public. Such, for instance, was a double spread in the February 15 *Saturday Evening Post*, and in March issues of five other magazines; it pictured a woman who had been injured in an accident, being carried into a drug store.

The headline was "Authorized to save a life . . . but not to send a bill." Excerpts from the copy furnish

a good keynote to the whole campaign. "A crash at the corner," (it reads). "A gathering crowd. Somebody hurt. 'Take her in there!' . . . 'In there' is the drug store. The druggist is not a physician. But because he has been carefully educated in many of the things the physician must know, he is authorized by law to administer first aid when immediate medical attention cannot be had . . . how constantly we use this service! . . . Every community breathes more easily because there is a druggist at the corner."

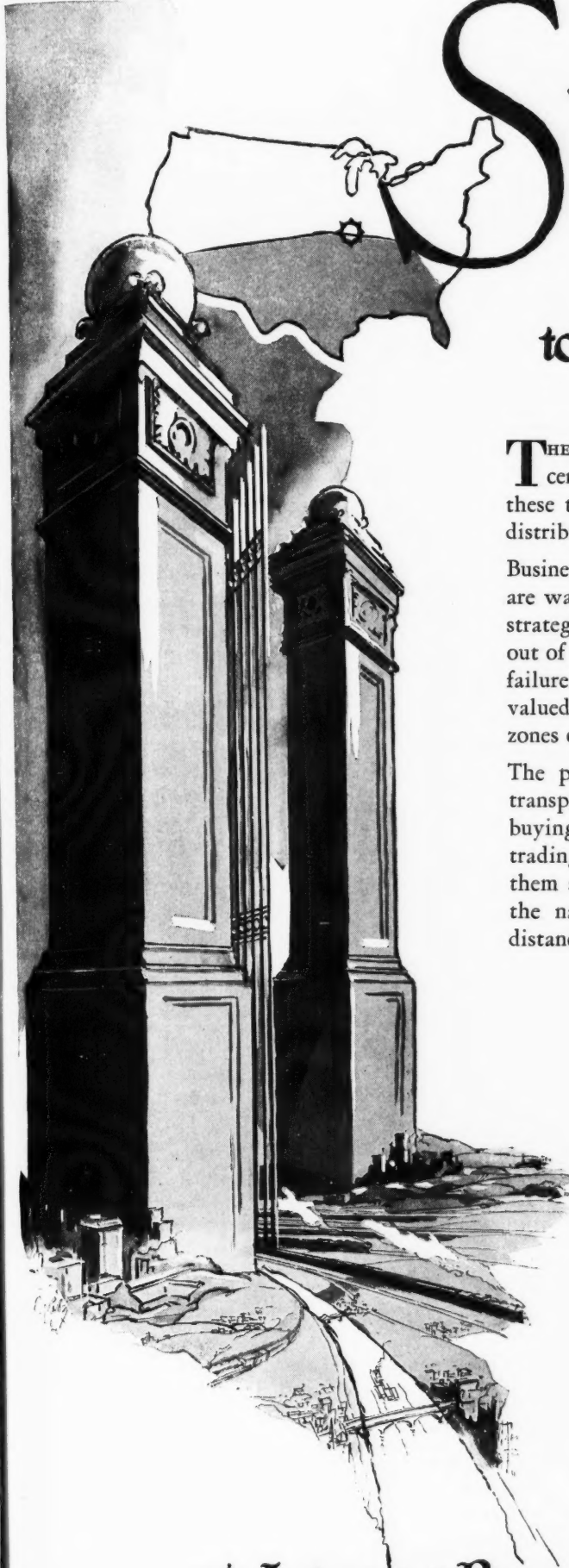
In order to tie the campaign together, a house organ called the "Bauer & Black Broadcaster" is issued monthly. This paper lays major emphasis on merchandising methods, telling how individual druggists have increased their sales and recounting the usual news about current advertising. Distributors' salesmen and company salesmen receive it.

This article touches upon the principal changes made in the first eighteen months of the new regime. We have not yet had time to judge how effective those changes are going to be. We now have 180 leading jobbers handling the line—and pushing it—and retail distribution is gradually widening. We know that during the first year sales showed a big gain. Then came the stock market debacle, so that the year 1929 and the first quarter of 1930 cannot be accepted as a good period by which to judge the results the new plan may reasonably be expected to show. However, we can state, without fear of over-optimism, that we believe the company to be in a sounder position than ever before, and that sales, within the next year or two, will set a new "high."

A. W. Daniels, for the past seven years general sales manager of the American Manganese Steel Company, Chicago, has been appointed vice-president in charge of sales.

Kolynos Company Plans Record Non-Stop Hop

A non-stop refueling-in-the-air flight from New Haven to Buenos Aires, a distance of more than 8,000 miles, will be undertaken soon by the "K" of New Haven, under the sponsorship of the Kolynos Company, toothpaste manufacturer there. R. Stuart Murray, account executive in the aviation department of Jordan Advertising Abroad, Inc., New York, is supervising the pre-flight activities.



St. Louis

"...The Gateway"

to the South and Southwest

THERE are really just a few natural distributing centers of major importance in this country. Utilize these to the full, and you control the most profitable distribution channels of the nation.

Business and war are strikingly alike. Whole campaigns are waged and battles fought for domination of single strategic points. Efforts for their control would seem all out of proportion to their importance did not success or failure often hinge upon their possession. Key points are valued less for their individual consequence than for the zones of influence which they command.

The parallel in sales-distribution is exact. Location, transportation, surrounding population and its trend, buying customs and similar factors establish definite trading centers which control great territories. From them stretch established trade lines along which flow the nation's traffic. Successfully to compete from a distance would mean to upset the habits of years.

Key to your richest market

America's South and Southwest are the fastest-growing sections of all this country today. They have the population, the needs and the money to buy whatever you have to sell. They look to St. Louis, their key city, for the source of their supply. They prefer to buy from it—if only for lower freights and quicker deliveries—whether you are there or not. But if you *are* there, they are the more likely to buy from you.

From St. Louis, the Gateway, you can economically and effectively reach half the buyers of the nation. With factory, branch, or warehouse located at this strategic point you can manufacture and distribute under fundamental advantages which you cannot find anywhere else. Let us show you how true this is. Facts and figures are at your service.

The Industrial Bureau
(507 Locust St., St. Louis, Mo.) *of the* **INDUSTRIAL CLUB of ST. LOUIS**

Junior Auto Show Takes Olds-Viking into Home

(Continued from page 164)

all the Oldsmobile and Viking models, the chassis and engine of each make, General Motors Proving Ground, a cut-away car body, Fisher Body emblem, and the properties already referred to.

The whole show covers a space thirty-three inches long and twenty-two inches wide when properly set up. If permanently mounted, a cardboard thirty-six by twenty-four inches is recommended.

Ready-cut cardboard figures might have been used instead of the sheets of figures, but this would have eliminated the fun and instruction of cutting out the figures and would have made the game almost too easy to be interesting.

The novelty is being sold to Oldsmobile and Viking dealers at the nominal price of \$10 for 100 and the dealers, of course, give them away to the children in their communities. The cost of creating the show, which has been borne by the factory, is not known, but the statement to the effect that if one bought a similar novelty at a store it would cost a dollar or two is hardly exaggerated.

Dealer Material on "Show"

To encourage and assist dealers to use the promotion to the best advantage the factory has prepared a handsome and comprehensive presentation, aptly and profusely illustrated in color. Dealers are also supplied one of the shows especially die cut for quick and easy display in their salesroom, a window poster to advertise the offer, and a newspaper mat and publicity story to be used for a suggested contest among the children in staging the shows.

The plan apparently has numerous valuable features. It carries a sales message into the very heart of prospects' homes in which there are children and has an effect which is all the more powerful because it is unconscious, both in the children, who are future prospects, and perhaps in the parents, who are often immediate prospects.

The Junior Auto Show affords manufacturer and dealer an opportunity to create a friendly, favorable, and lasting impression on children which will surely result in incalculable good will for them and their product in the years to come.

But it doesn't stop there. Parents

are interested in whatever interests their children. This Oldsmobile-Viking presentation pleases the children and the parents, even if they did not become involved personally in the game, would be interested.

The parents, and others, are almost certain to become involved. Johnnie and Willie want the scissors and perhaps a piece of cardboard and some paste, then they haven't gone far until they begin to ask questions about this, that, and the other. So mother and daddy are pressed into service, and possibly older brothers and sisters, too, and presently the whole family, or at least the key members, are engaged in a pastime which compels them to study Oldsmobile and Viking cars with more minute care than any ordinary illustration could ever hope to win.

Actually Studying Catalogue

This means, of course, that they are actually studying the Oldsmobile-Viking catalogue. Every model is represented and they must identify each one, because the proper title card must be placed beside each car when the show is assembled. Reference to the instruction book also involves an actual study of the cars and of such allied subjects as General Motors Proving Ground, Fisher Bodies, and the General Motors Acceptance Plan of time payments.

Admission tickets, with space for the young "manager" to sign his name on each opposite such a title, are provided with each set and it is to be expected that he will make the most of this feature. He will almost certainly invite his parents and it is very likely that he will be admitting his playmates for a penny or an agate or other valuable consideration.

Then when a visitor drops in Johnnie cannot be suppressed until he has shown his auto show and the visitor has commented on it, which means more advertising of Oldsmobile and Viking cars.

The promotion can also be used to advantage by the dealer and his salesmen in numerous ways. It is recommended that children be required to come to the salesroom in company with an adult in order to secure one of the shows. The dealer or attendant chats with the child about the show, then writes the child's name, address, age, and school grade on the back cover. Needless to say, this informa-

tion is valuable. No direct effort is made to interest the parent in a car at the moment, but if he shows any disposition to discuss the subject he is accommodated.

The dealer has a show set up in his display window and that attracts attention.

It is recommended that the dealer promote a contest among the children, offering baseballs, gloves, pocket knives, roller skates, dolls, and other things that appeal to children, as prizes, then displaying the prize-winning sets in his salesroom. As stated above, the factory furnishes a newspaper mat and publicity story to be used in the local newspaper in this connection and that helps to create interest and conversation in the community.

Salesmen may also use the novelty in making calls and in making friends by helping the children get started right.

The Junior Auto Show used by this company is copyrighted and a patent on it has been applied for by Evans-Winter-Hebb, Inc., of Detroit, who are responsible for the creation of the entire idea and plan, as well as the production of the material.

Curtis Publishing Issues National Plane Survey

One million privately owned airplanes in the United States by 1945 were predicted this week by Charles Coolidge Parlin, director of research of the Curtis Publishing Company, after a survey of six months, the results of which have just been published by the Curtis company in "The Aviation Industry," a 176-page volume under Mr. Parlin's signature. With several business associates, Mr. Parlin has covered 20,387 miles in his company's plane. He studied the underlying trends of the industry. Capital, government cooperation and advertising, he emphasized as the primary needs of the aviation industry today.

Because of the present large investment in aviation, Mr. Parlin believes that volume business must be developed to justify it. Airports, lighting, weather and radio services, personnel, factories, sales agencies and schools are needed to assist it. Prices must be stabilized on a basis comparable with first-class air rates and consumer patronage developed by advertising. If money must be lost in the industry, as it is at present, "it had better be lost carrying people and thus building a market for the future."

I've Just Had to Stop to Change a Tire!

HERE I am, way out in beautiful San Fernando Valley, with a tire that's just gone to heaven; with the decorative eucalyptus trees waving me a sunlit welcome; and a date at the office with my Royal to write an ad for Sales Management. Guess I'll have to buy a portable. Well, anyway, there's nothing to stop me from writing on the back of my tailor's bill, is there? The answer being No, I start to write.

♦ ♦ ♦ My spiffy, new lemon-and-black Ford *Coupay*, standing ready to eat up the concrete, gives me an idea. About cars. What were those Media Records figures Smith gave me yesterday? Ah! *here* they are, 44.11% of the new cars registered for the entire Pacific Coast for 1929 were listed from Southern California! Furthermore, of the 343,584 registered in Southern California, 141,632 were in Los Angeles County *alone*! ♦ ♦ ♦ This, of course, is where that great morning-and-Sunday newspaper, The Examiner, *blankets* its circulation of more than 200,000 daily and in excess of 440,000 Sundays; where advertisers *know* which newspaper rings the cash register; where records show that for January, February and March, 1930, the undersigned paper carried 34% more total automotive copy than the Times; where I will now have to ask my tailor to send me another bill!

LOS ANGELES EXAMINER

PUT YOUR MESSAGE BEFORE THE MODERNS

REACHING THE BUYER IS HALF THE SALE



POSTERS MADE FOR USERS

Major Products Advertised on Criterion Boards

Cleveland Plain Dealer
Cloverbloom Butter
Borden's Evaporated &
Condensed Milk
Alpine Milk
Carnation Milk
Coca-Cola
Hecker's Flour
Red Cross Plasters
Johnson & Johnson
Baby Powder
Sapolio
Camel Cigarettes
Reckitt's Blue
Green River
Snowdrift
Schlitz Malt Syrup
Ward's Bread and Cakes
CN Disinfectant
Wrigley's Gum
Werko Washing Powder
Mavis
Tolley's Cake
Majestic Radio
Old Master Coffee
Mail Pouch Tobacco
Dayton Tires
Mohawk Tires
Grape-Ola
St. Louis Globe-Democrat
Diamond Crystal Salt
Kinney Shoes
H. J. Heinz Products
Citrus Washing Powder
and Soaps
Old Witch Ammonia
Victor Radio

AS part of the only uniform national service of 3-sheet neighborhood posting, Criterion Service also offers poster-copy production.

Poster design calls for unique technique. 15 years of specialized experience at it is offered to all users of Criterion Service. Usually this means better posters; frequently lower costs as well.

No. 18 of a series, inviting attention to twenty unique features of Criterion National Neighborhood Posting. Criterion Service, Graybar Building, New York City.

CRITERION SERVICE

The Original and Only Uniform National Service of 3-sheet Neighborhood Posting



CRITERION SERVICE, GRAYBAR BUILDING, NEW YORK CITY

Please send me the portfolio advertised in Sales Management.

Company Name.....

Address.....

Attention of..... Title.....

Gossip

SAMUEL D. FUSON, DR. M. G. FRANK and CHARLES E. GANNON have joined Erwin, Wasey & Company, New York. Mr. Fuson, who for many years has been connected with newspapers and magazines in the East, Middle West and South, succeeds DUKE PARRY as publicity manager, resigned; Dr. Frank is in the research department; and Mr. Gannon, until recently feature advertising manager of L. Bamberger & Company, Newark, directs radio.

LYNWOOD N. HARVEY, circulation manager of the *Architectural Record*, the *Real Estate Record* and *Builder's Guide*, will also direct circulation for the *American Contractor*, New York. EDMOND ENRIGHT, formerly chairman of the Civil Service Commission, more recently assistant to the president of the McCall Company, has joined the Criterion Advertising Company in a similar position. ELMER J. LOEW, for the past two years in charge of sales promotion for West Bend Aluminum Company, West Bend, Wisconsin, has become associated with the sales promotion department of the Lyon Metal Products, Inc., Aurora, Illinois.

JOHN VALENTINE has been appointed assistant sales manager, and CHARLES HATHAWAY an account executive of the Sound Studios, of New York, Inc. Mr. Valentine until recently has been with the Judson Radio Program Corporation; Mr. Hathaway has been connected with radio for some time and was formerly a baritone with the Cincinnati Opera Company.

F. O. G. SHINDLER has opened an advertising agency under his own name at 304 Lloyd Building, Seattle. He was formerly assistant advertising manager of the Bon Marche department store there. The new agency will be associated with, but independent of, the Lloyd Spencer agency.

ALLAN L. FIRESTONE and LEW HOEN are now on the staff of Leon Livingston, Inc., San Francisco agency. Mr. Firestone has been vice-president of Coming-Firestone Advertising Company, St. Paul; Mr. Hoen with L. H. Waldron Advertising Agency, New York.

ALFRED NEW, at one time sales promotion manager of the *Shoe Retailer* and more recently New England manager for the Smart Shoes Publishing Corporation, New York, has joined the service staff of the Porter Corporation, Boston. CULBRETH SUDLER has been elected secretary of Louis & Brorby, Inc., Chicago agency, succeeding MELVIN BRORBY, now vice-president.

RALPH H. MEADE is now plan director of William Green, a corporation, New York. PRESCOTT K. WADSWORTH is in charge of research. DAVID D. COOKE, recently a vice-president of the Arnold Joerns Company, is now director of service with Vanderhoof & Company, Chicago agency. LEE TRENHOLM has resigned from Bruno & Blythe to open his own public relations office at 345 Madison Avenue, New York. H. J. MCKEEVER, until recently a member of the highways and municipal division of the Portland Cement Association, is now with the Milwaukee office of the Dyer-Enzinger Company, advertising agency. DAVID MALKIEL has established his own advertising agency at the Metropolitan Building, Boston.



This CHART helps your printer save *your* money

IT'S expensive to specify sizes of printed pieces by guesswork. You're almost certain to hit on uneconomical dimensions. And that means extra work for your printer . . . and extra cost to you.

For instance, here are just a few of the operations that an odd-sized mailing piece entails: First, your printer has a complicated estimate to figure out. Then he must shop all over town to find some special-sized paper sheets that won't waste too much in the cut.

Usually they're not to be had. He orders them to be made at the mill. He orders special-sized envelopes (which may not fit your mailing machines). When everything is finally delivered, there must be special instructions and handling all through his plant.

All this is unavoidable overhead. But it all costs money. Your printer has to add it on his bill. And it all began right at your desk when you specified that odd size.

Yet it's easy enough to cut out this extra expense. Here's a simple way to do it.

The S. D. Warren Com-



pany has just prepared a chart of actual sizes for mailing pieces.

These sizes are *right*. They cut economically from standard sheets. They fit standard envelopes . . . that are specially designed for use on mailing machines. And the chart gives plenty of sizes to meet all your requirements.

The Warren Chart is a handy size—only 11" x 17". You can keep it spread out right under the glass on your desk . . . ready to refer to when you plan a mailing piece.

How does it save money?

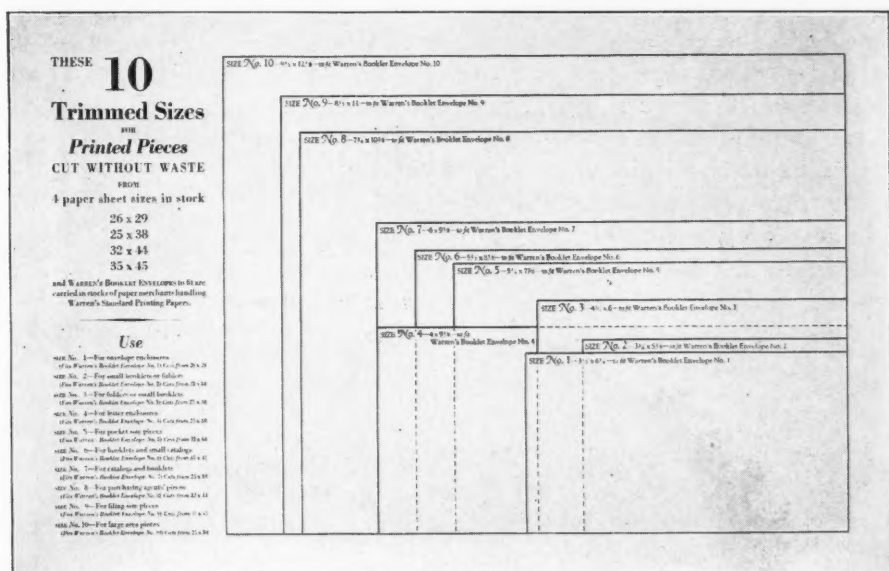
This way. Standard paper sheets and envelopes are always waiting for your printer at the warehouse.

The sheets will fit his presses exactly. He spends no time and money on special paper . . . special envelopes . . . special operations.

And he does a better job for you. He can devote his thought, his time and all his skill to giving your mailing piece that touch of individuality you vainly strive to get with irregular size. It's the *printing*, not the *shape*, that makes a booklet distinctive.

Your printer can supply you with one of the Warren Charts. Keep it handy and use it. You'll be helping him to save **YOUR** money if you do.

If he has none on hand, write direct to us.



S. D. WARREN COMPANY, 89 Broad Street, Boston, Massachusetts

RAYMOND BILL, *Editor*; HENRY J. WRIGHT, *Advisory Editor*; A. R. HAHN, *Managing Editor*; D. G. BAIRD, R. C. HAY, FRANKLIN JOHNSTON, HERBERT KERKOW, WALTER MANN, JOHN ALLEN MURPHY, RAY B. PRESCOTT, FRED SUHR, JAMES TRUE, *Associate Editors*; LAWRENCE M. HUGHES, *News Editor*; DOROTHY GUERNSEY, *Desk Editor*.

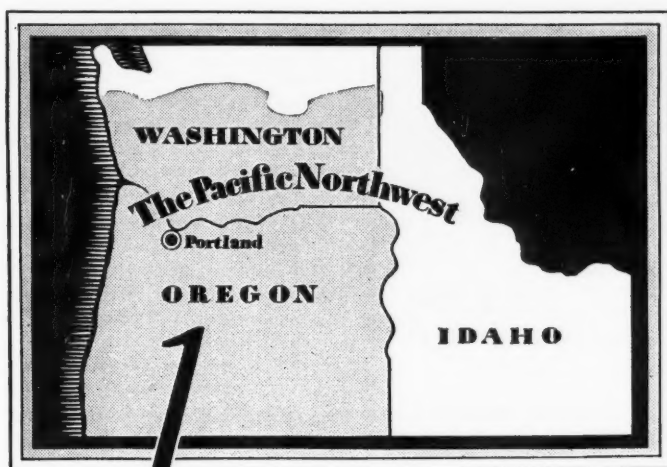
Editorials

AN EXAMPLE OF PROFITLESS SALES: Schulte Retail Stores earned \$1,072,000 last year, a yield on common stock of \$1.49 a share. The year before the earnings were \$5,244,000, \$3.96 a share. This deplorable loss in profits, Jerome Eisner, a director, told the stockholders, was due to the cigarette price war. Cigarettes cost the company 11.3 cents a package. At two packages for a quarter the company retained only 4 per cent. Grocery chains and department stores could afford to sell cigarettes at a loss for advertising purposes. Tobacco stores, dependent on cigarettes as their chief stock in trade, were thus obliged to do business on a price level that yielded little on their investment. . . . There could be no better illustration of profitless sales resulting from a sort of competition in distribution of goods that violates essential principles of sound merchandising. But apparently the manufacturers are indifferent or else impotent under present conditions to help make the trade of handling their products a profitable business.

THE PRICE LEVEL OF PROGRESS: Reviewing the current decline in commodity prices, the *New York Times* observes: "In each of these notable historic precedents (the violent price movements following the Napoleonic wars and our Civil War) the sequel to the canceling of all wartime rise in prices was an era of great and prolonged national prosperity." No student of the subject can fail to notice this outstanding fact. It was glaringly apparent in the long-view price graph, published by SALES MANAGEMENT on March 29, which traced the spire-like rises incident to the War of 1812, the Civil War and the Great War along a curve characterized in all the peace intervals by relatively very low levels. . . . Abnormal conditions of war, causing concomitant imperative demand and diminished supply, inevitably disturb the balance between goods and gold. As inevitably the balance is restored by return of the normal conditions of peace. But because great fortunes have been made when strife pushed goods rapidly to a premium, such periods of readjustment as we are now passing through have always been attended by fear of "cheapness" that comes with furling of battle flags. These fears are aggravated and, at the moment, justified by losses occasioned by abrupt declines; business needs time to accommodate itself to fundamental changes. In the long run, however, real progress has been most enduring on the bed-rock of price levels arrived at by the play of forces uninfluenced by

martial excitements. . . . It does not follow that we are headed for pre-war prices and should acclaim the prospect. Expanded consumer buying power brought about by high wages is a new factor tending to check deflation. Its effect is apparent in the relatively retarded decline of finished product prices. Compared with a year ago they fell only 4.7 per cent, less than half as much as those of raw material. When field and mine output are regulated more nearly as factory output is regulated by consumer demand, we shall reach something like stabilization, the best ground work of prosperity.

EDITORS TO THE FORE: Every one who is interested in printed page advertising should welcome the growing prominence of the American Society of Newspaper Editors, the proceedings of which, at its recent annual meeting in Washington, attracted much attention. Prior to its organization scarcely a decade ago, the newspaper publishers, either at the meetings of their own association or in attendance at annual gatherings of the Associated Press, were alone in evidence as a united body of sponsors for daily journalism. As managers of a great industry closely allied to the life of the nation, their periodic deliberations naturally take a conspicuous place in the news of the day. But until the editors began to be heard from in representative numbers and weight the preponderant appearance of the publishers lent color to the charge that journalism as a profession had been put under business domination. . . . Now that the editors are speaking for themselves as well as for their profession a clearer view of the situation is likely to obtain, thereby increasing public confidence in the press as a purveyor of all sorts of news and opinion. Those who lamented the passing of the great editor of Horace Greeley's day found substance for their complaint in the fact that the great publisher had taken his place. For in this substitution they saw evidence of a degree of commercialization detrimental to public acceptance of newspapers as unprejudiced guardians of the people's interests. The practical answer to this criticism is the increasing circulation of the newspapers in spite of radio dissemination of the news. Incidentally, but no less effectively, the place now being taken by the society of editors serves as a reminder that our newspapers are conducted by men who, behind the anonymity which screens their daily work, are inspired by untrammelled zeal and devotion possible only to members of a high calling.



here

Sales Managers find rich hunting



Here is a preferred market . . . a more than ordinarily receptive market . . . a market composed of people who earn and have more than the average of the United States . . . a market in which slums, illiterates, foreign quarters and other "dead" spots are singularly absent . . . and most important of all, an extremely accessible market from the standpoint of building consumer demand.

The reason it is so accessible is because The Oregonian, its leading newspaper, is the open sesame to the minds, the hearts and the pocketbooks of this superior race of people. For 80 years The Oregonian has maintained unbroken leadership in this market. One of these years was last year, another one is this year, and another one will be next year. And the leadership seems to be increasing rather than diminishing.

This leadership is reflected in the largest lineage, the largest circulation, and the largest number of pages printed. But most of all it is reflected in the regard which Oregonians have for their Oregonian.

Where else in all America is there a publication which for 80 years has led its field, every year of the 80? Where else in all America is there a market so desirable and so accessible?

The Oregonian.

PORTLAND, OREGON

The Preferred Newspaper of the Pacific Northwest

Nationally represented by VERREE & CONKLIN, Inc.

New York
285 Madison Avenue

Chicago
333 North Michigan Avenue

Detroit
321 Lafayette Boulevard

San Francisco
Monadnock Building

In 1929 there were

150

Leading Magazine Advertisers.

125

of these have distribution in Southwestern towns where farm families trade. If you are among this 125 your advertising must reach the Southwestern farmer to take full advantage of this "extra" distribution . . . One medium dominantly reaches this rich Southwest Farm Market

where the average income of farm families is one-fourth larger than city families . . .

Main Office & Publishing House, Dallas, Texas
Eastern Office, New York, 52 Vanderbilt Avenue
Western Office, Chicago, 122 S. Michigan Blvd.

FARM AND RANCH

The Farm Paper of the Southwest

What Price Profitless Sales?

(Continued from page 153)

been eliminated the purchasing power (generally much larger) represented by the salaries he paid to employes, the rent he paid to a landlord and the money paid for store fixtures and equipment, as well as the outgo for other purposes too numerous to mention.

It may be more efficient and it may be better economics for retail business to gravitate toward the merchants who sell at the lowest prices, but the studies made by SALES MANAGEMENT do not indicate such to be the case, where to gain this end merchandise must be sold *without a fair margin of profit*. With most of our industries capable of overproduction in double quick time and with the supply of most of our farm products and raw materials running far ahead of demand, where can the retailer, who is forced out of business by profitless sales, turn for new employment? And, likewise, where will his former employes turn for employment?

Unemployment is a serious problem now. Profitless sales by anybody on any part of their business can only make it worse.

Effect on Purchasing Power

It may be more efficient and it may eliminate waste in distribution for three stores, by reason of increased rate of turnover, to handle the retail business formerly transacted by ten stores. But it would be nothing short of foolish to imagine that you can take Main Street of Main Street Town and condense its business section from ten down to three stores without affecting the purchasing power of that community. The loss of capital values in local real estate, the decrease in the number of residents directly and indirectly employed, the reduction in the total *earned income payroll* of the community would far more than offset the theoretical gain from lowered prices and increased purchasing power of the individual dollar.

Of the two sides it is becoming increasingly manifest that it is far more important to create purchasing dollars than to increase the purchasing power of the individual dollar through unreasonable profits and profitless sales.

Next week we will present our theory of purchasing power—a theory which in the course of time and with the help and criticism of our readers, we are fully confident of evolving into an accepted economic principle. It is new, as far as we know, and it may appear somewhat radical at first blush.

But at standab mon sh and al

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But at least it is practical and understandable and without the all too common shrouding in a maze of statistics and algebra.

The sum total of this week's discussion is this—and it should concern financiers and economists as well as business men:

1. Decreasing profits (manufacturing, wholesaling or retailing) does not in a sound way increase efficiency, where doing so results either in inadequate return on capital invested or inadequate compensation for human services rendered (regardless of whether in the distribution or production process).

2. Decreasing the profits in distribution does not eliminate the waste in distribution. *Per se*, it decreases purchasing power and increases unemployment, where decreasing profits result either in inadequate return on capital invested or inadequate compensation for human services rendered.

Moral Responsibility

3. Profitless or semi-profitless sales should be eliminated from *all parts of all business*. This is a moral as well as an economic responsibility. To starve out competition through ability to weather profitless sales is nothing short of an abuse of the use of capital. Where deliberate it is unethical competition and should be curbed for the sake not only of fairness in competition, but also for the sake of (a) increasing employment of all kinds, (b) increasing compensation of all kinds, (c) increasing national purchasing power, (d) increasing the return on capital invested to a point where the *earned profits* represent an adequate percentage of return on the *market value* of common stocks for which investors have paid and are paying "cash money." In this latter connection it should be pointed out that, after all, the public owns most of the stock of most companies and that the public is vastly more interested in earned dividends than in seeing the companies in which it has invested engage in price wars and the practice of profitless sales as part of a competitive strategy.

It happens that the annual report of the Schulte Retail Stores Corporation (a tobacco chain) was issued this week. It is a subject of editorial comment in this issue of SALES MANAGEMENT. In a singularly striking manner it bears out in a *tangible* manner the Main Street description given in this article.

Foster & Kleiser Company, San Francisco, outdoor advertising organization, has purchased the La Fon Advertising Company of Long Beach.

Our New Brochure:

"What Advertising Men Want to Know About Your Publication"

Is now ready for mailing.
Ask for your copy on your
business stationery

STANDARD RATE & DATA SERVICE
The National Authority
536 LAKE SHORE DRIVE
CHICAGO

HANDS THAT WRITE use DUR-O-LITE

*This is John L. Wilds
Executive Vice Pres-
ident of the Protection
Mutual Fire Insurance
Company, and HIS
Dur-O-Lite.*



HANDS that make money for their owners today are hands that write—and hands write most efficiently with Dur-O-Lite,—the pencil choice of busy men and women.

For modern business a hand is only as good as the pencil it holds. The test of success today is not what is earned at manual labor but what is earned by mental ability. The hand is still important but primarily as it is used with pencil and paper to aid in thinking and planning.

No gift is more practical, nor more appreciated, than a pencil that is dependable—that makes writing a pleasure. Try it if you doubt the glow of good will that follows the gift of a Dur-O-Lite. For business building,—memory advertising,—bridging the gaps between the calls of salesmen, Dur-O-Lite pencils have proved their worth in actual use.

Good will is an important factor of business—hard to get, easy to lose. We have prepared a booklet for guidance of executives in the use of Dur-O-Lites as Good Will salesmen. It describes in detail the successful use of Dur-O-Lite pencils by many companies,—tells YOU how to write new orders and enjoy repeat business at lowered costs.

*An inquiry upon your letterhead
will bring a copy by return mail.*

DUR-O-LITE PENCIL COMPANY
4541 Ravenswood Avenue
Chicago

Eastern Sales Office
26 Cortlandt St.,
New York City

Western Sales Representatives
Bert M. Morris Company
415 Transportation Bldg.
Los Angeles, California

March Newspaper Lineage in Sixty-one Cities

(Continued from page 160)

*Bklyn. Stand.				
Union	362,514	460,940	—	98,426
Brooklyn Times	489,003	447,281	+	41,722
Totals	15,045,811	16,913,725	—	1,867,914

NEWARK				
Evening News	1,773,577	1,857,715	—	84,138
(No other figures available for Newark.)				

OAKLAND				
Tribune	1,422,582	1,615,292	—	192,710
*Post-Inquirer	794,626	814,492	—	19,866
Totals	2,217,208	2,429,784	—	212,576

OKLAHOMA CITY				
Oklahoman (M. & S.)	955,438	993,022	—	37,584
*Times (E.)	748,977	761,649	—	12,672
*News (E.)	543,475	594,234	—	50,759
Totals	2,247,890	2,348,905	—	101,015

OMAHA				
World-Herald	1,125,012	1,263,801	—	138,789
Bee-News	655,273	669,638	—	14,365
Totals	1,780,285	1,933,439	—	153,154

PHILADELPHIA				
Inquirer	1,460,250	1,678,425	—	218,175
Record	695,814	774,742	—	78,928
Ledger	1,075,845	1,235,698	—	159,853
*Eve. Ledger	949,661	1,109,647	—	159,986
*Bulletin	1,649,334	1,864,784	—	215,450
*News	538,005	561,865	—	23,860
Totals	6,368,909	7,225,161	—	856,252

PORTLAND (ORE.)				
Oregonian	1,066,198	1,143,954	—	77,756
Journal	1,051,512	928,746	+	122,766
*Telegram	625,072	551,754	+	73,318
*News	422,646	380,072	+	42,574
Totals	3,165,428	3,004,526	+	160,902

PROVIDENCE				
Journal	939,313	876,011	+	63,302
*Bulletin	1,340,614	1,325,621	+	14,993
†Tribune		253,235	—	253,235
*News-Tribune	525,480	415,038	+	110,442
Sunday News-Tribune	34,251	45,059	—	10,808
Totals	2,839,658	2,914,964	—	75,306

†The Providence News absorbed the Tribune and on December 11, 1929, the first issue of the News-Tribune was published.

RICHMOND				
*News-Leader	946,624	1,064,672	—	118,048
Times-Dispatch	927,234	1,152,634	—	225,400
Totals	1,873,858	2,217,306	—	343,448

ROCHESTER				
Journal-American	958,139	947,787	+	10,352
*Times Union	1,118,405	1,200,170	—	81,765
Dem. & Chron.	1,125,037	1,274,692	—	149,655
Totals	3,201,581	3,422,649	—	221,068

ST. LOUIS				
Post-Dispatch	1,956,640	2,245,600	—	288,960
Globe-Democrat	1,040,100	1,353,600	—	313,500
*Star	620,100	696,600	—	76,500
Times	349,800	338,100	+	11,700
Totals	3,966,640	4,633,900	—	667,260

ST. PAUL				
*Dispatch	915,670	896,490	+	19,180
Pioneer	1,003,954	927,822	+	76,132
News	681,926	747,880	—	65,954
Totals	2,601,550	2,572,192	+	29,358

SAN FRANCISCO**				
Chronicle	75,536	77,164	—	1,628
Examiner	100,947	110,650	—	9,703
Call	63,573	60,271	+	3,302
News	58,230	46,600	+	11,630
Totals	298,286	294,685	+	3,601

SEATTLE				
Times	1,436,833	1,547,975	—	111,142
Post-Intellig.	950,536	971,220	—	20,684
*Star	586,320	580,166	+	6,154
Totals	2,973,689	3,099,361	—	125,672

SOUTH BEND				
Tribune	862,805	1,046,215	—	183,410
News-Times	856,819	1,054,777	—	197,958
Totals	1,719,624	2,100,992	—	381,368

SPOKANE				
Spokesman-Review;				
*Chronicle;				
*Press	2,237,318	2,339,246	—	101,928

SPRINGFIELD (MASS.)

Repub., Daily	1,500,114	1,646,022	—145,908
News & Union.			

TACOMA

Ledger	651,127	686,337	— 35,210
*News Tribune..	704,863	794,851	— 89,988
*Times	489,168	494,744	— 5,576

Totals 1,845,158 1,975,932 —130,774

TAMPA

Tribune	798,210	801,122	— 2,912
*Times	525,280	515,690	+ 9,590

Totals 1,323,490 1,316,812 + 6,678

TOLEDO

Toledo Blade ..	1,065,449	1,389,856	—324,417
News-Bee	624,448	826,334	—201,886

Totals 1,689,897 2,216,200 —526,303

TOPEKA

Capital	781,620	851,886	— 70,266
State Journal ..	431,690	507,234	— 75,544

Totals 1,213,310 1,359,120 —145,810

TULSA

Tribune	944,393	1,089,801	—145,408
World	1,098,336	1,215,415	—117,079

Totals 2,042,729 2,305,216 —262,487

WASHINGTON

Star	2,112,661	2,449,020	—336,359
Post	662,900	861,140	—198,240

*Eve. Times	664,005	689,524	— 25,519
Herald	560,815	555,252	+ 5,563

*Eve. News	246,005	215,903	+ 30,102
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Totals 4,246,386 4,770,839 —524,453

WILKES-BARRE

*Leader	854,042	1,127,658	—273,616
*Record	952,364	1,174,824	—222,460

*News	573,412	540,428	+ 32,984
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Totals 2,379,818 2,842,910 —463,092

WORCESTER

Telegram	929,523	1,076,131	—146,608
*Gazette	727,888	817,428	— 89,540

Totals 1,657,411 1,893,559 —236,148

*No Sunday edition.

Pittsburgh Lineage

The following figures were received too late to be included in the general table:

	1930	1929	Change
Press	2,162,354	2,274,795	—112,441
Sun-Telegraph ..	1,589,485	1,490,829	+ 98,656
Post Gazette ..	766,574	841,798	— 75,224

Totals 4,518,413 4,607,422 — 89,009
Sun-Telegraph figures exclusive of American Weekly.

Nabisco May Expand on Pacific Coast

National Biscuit Company, New York, is negotiating for acquisition of the Pacific Coast Biscuit Company, Seattle, according to reports confirmed this week by R. E. Tomlinson, chairman of the board of the company.

"No details can be announced at the present time," Mr. Tomlinson said.

The National Biscuit Company, maker of Uneeda products, is the largest biscuit company in the country. It also controls the Shredded Wheat Company, cereal product manufacturers, Niagara Falls.

The products of the Pacific Coast Biscuit Company, which has assets of more than \$6,000,000, are distributed throughout the West, the Orient and the Hawaiian and Philippine Islands.

George Harrison Phelps, Inc., has become affiliated with C. F. Bryan's, Inc., Cleveland agency.

FIRST PAPER IN TEXAS

National Advertising Lineage 1929

N

EW WEALTH!

A couple of millions of it—is produced in West Texas every day! And this is what comes of it.

In Fort Worth more than 25 per cent of the families have an earned income in excess of \$1800.00 . . . nearly double the national average. And West Texans have \$200.00 more to spend per buyer than the national average . . .

THIS is what comes of
\$2,000,000 a day

More to spend—more to buy. And they buy! Fort Worth's retail business increased 85 per cent in four years!

West Texas has over 1,100 towns. Into this region march 2,000 new builder-buyers each week, who find plenty to do in a region with diversified virgin resources but 30 per cent developed.

In West Texas no paper is more widely read, more firmly intrenched than the Star-Telegram and Record-Telegram.

In this region where ready money inspires ready response you can fire 125,000 advertising charges every day . . . reader-buyers gained without the aid of premiums, contests, or any forced methods. "It's a ten-to-one-buy for the advertiser's dollar."



Now Over

125,000

Net Paid Circulation

Daily or Sunday

West Texas
ealthy Territory

FORT WORTH STAR-TELEGRAM

Fort Worth Record-Telegram

AMON G. CARTER
President and PublisherA. L. SHUMAN
Vice-President and Adv. Director

Charter Member, Audit Bureau of Circulations

What's the best way to reach Southern Sales and Advertising Executives?



FLEXIBLE as the word "best" is—there is nevertheless just one answer to the above question: *place your message in Southern Advertising & Publishing!*

For this magazine reaches more than 3,000 publishers, sales and advertising executives and agency men of the South every month—more than are reached by any other advertising publication!

It deals editorially with the strictly sectional problems which are of prime interest to these men. Consequently it has an influence—a "weight"—throughout the fourteen Southern States, which no other magazine possesses.

And finally, because of its sectionalized circulation, it does not require a "general" sales message. You can pack your advertisements with the specifically Southern appeal that will produce greatest results from this section!

SOUTHERN ADVERTISING AND PUBLISHING

Mortgage Guarantee Bldg.

ATLANTA, GA.

MARKET ANALYSIS

By PERCIVAL WHITE

52 charts, diagrams, sample letters and questionnaires are given to show how market research work has been done by others, and to give the reader a plan of campaign for a survey of his own. This book will be particularly valuable to any sales executive who feels that his sales volume has not reached full potentialities; it shows how and where to get the needed facts, how to analyze them, how to use them profitably. 340 pages.

Price, postpaid, \$4.00

Remittance should accompany order

SALES MANAGEMENT

Book Service

420 LEXINGTON AVENUE

NEW YORK CITY

New Catalog Snips Red Tape for Lumber Dealers

(Continued from page 155)

efficiency of the book and the immense help it was, is brought out. As the curtain went down there was loud applause.

I. F. Downer, speaking on "It's Up to You," indicated the salesman's responsibility in the situation. Joe Cohen, representative of the printing house which had produced "Building Counsel," gave interesting facts—how the books, one on top another, would reach twenty-two feet higher than the famous Daniels & Fisher tower; how the string used would go up and down the tower nineteen and one-half times; how the time of two expert proof-readers for five days was required for the book—and so on. C. F. Woolley spoke on "More Business through 'Building Counsel.'"

Then came discussion of the book by the sales force. The book had now been delivered to each salesman. Books were examined and then salesmen got on their feet and talked.

Salesmen Enthusiastic

Were they enthusiastic? The term is a mild one. One man declared, "A book like this has been the one great need of the lumber dealer." Another declared, "This is a lazy man's book. Anybody can sell lumber and mill work, using this book." Another said, "Hallack & Howard may be expecting big things from this book, but they little realize themselves what it is going to mean to them and the trade."

A special direct-by-mail campaign was used to prepare the trade for the new book.

Four cards in a series, seven by five inches, with the printed name of the salesman serving the dealer, reached the latter in advance of "Building Counsel."

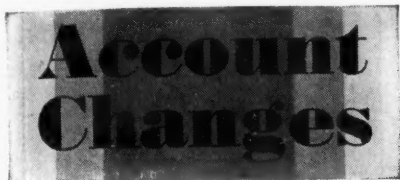
These cards had cartoon treatment. Two of them portrayed a dealer in the agonies of estimating, because of confusing discounts and allowances and numerous lists and catalogs. Another card showed a smiling dealer pointing to an entrance pictured in the book, remarking, "See—here's just the way it looks and here's the price." A pleased customer remarked, "Say—that's great, isn't it!" The text signed by the salesman was headed, "Easier to Sell, Now."

A final cartoon-style card showed the dealer throwing price lists and catalogs out the office window into a garbage can. He remarked, "I won't need all this junk any longer—Hallack & Howard's new catalog has all this

information in one book—thank goodness it will be here next week.”

Then the salesman had his announcement in the lower right corner. The book was ready now. The company believed it was the most valuable and complete price-and-information book ever issued to dealers. “Your special copy will reach you just in time to start the New Year right. Wire us collect if you haven’t received it by December 30.”

Tremendous interest had been aroused in the trade when the new catalogs finally were delivered.



TAO TEA COMPANY, INC., New York City. Tao tea balls, to Hirsch Advertising Agency, New York.

BONCILLA LABORATORIES, INC., Indianapolis, toiletries, to Ruthrauff & Ryan, Inc., Chicago.

THE SONOTONE CORPORATION, New York City, Sonotone—a new hearing aid—to the Wales Advertising Company, Inc., there. Metropolitan newspapers.

MEDICAL PRODUCTS CORPORATION, New York City, drug products, foreign advertising to Jordan Advertising Abroad, Inc., there.

TERRITORIAL HOTELS COMPANY, LTD., Honolulu, to the Wales Advertising Company, Inc., New York.

M. W. CARR & COMPANY, INC., West Somerville, Massachusetts, Carr Craft pewter and other gift merchandise, to Badger & Browning, Inc., Boston.

SUTHERLAND TIRE GAUGE COMPANY, New York City and Caribou, Maine, pressure gauge, to Arthur Rosenberg Company, Inc., New York.

ROCK OF AGES CORPORATION, Barre, Vermont, Rock of Ages granite and manufacturers of granite memorials, to Redfield-Coupe, Inc., New York City. General magazines and trade publications.

CUNARD STEAMSHIP COMPANY, LTD., and the AMERICAN EXPRESS COMPANY, New York, joint advertising campaign for their 1931 Three-in-One cruise to South America, South Africa and Mediterranean, to Frank Presbrey Company, New York City.

AMERICAN AERONAUTICAL CORPORATION, New York, Savaio-Marchetti flying boats and amphibians; AMERICAN CIRRHUS ENGINE CORPORATION, Marysville, Michigan, aviation engines; HUNTINGTON AIRCRAFT CORPORATION, Stratford, Connecticut, to Grace & Holliday, New York and Detroit.

UNDERWOOD-ELLIOTT FISHER COMPANY, New York, Underwood typewriter account, to Marschalk & Pratt, Inc., there. Balance of account remains with Batten, Barton, Durstine & Osborn, Inc.

Advertising Novelties That Say “Quality”

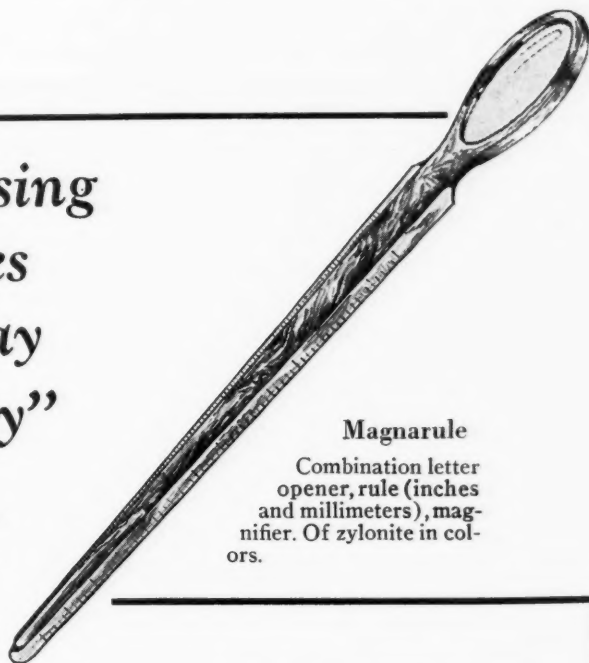
Pocket Magnifier

Lens 1 in. diameter, 4 power, mounted in colored zylonite frame.



Folding Magnifiers

Colored vulcanite mountings. Magnify 3 to 5 times.



Magnarule

Combination letter opener, rule (inches and millimeters), magnifier. Of zylonite in colors.

“H’m!” says your customer. “Made by Bausch & Lomb, eh? Pretty nice.” People treasure products of the Bausch & Lomb factories.

Three or four cigars will pay for the Pocket Magnifier shown here—but not a dozen cigars would arouse such grateful admiration. These magnifiers may carry your name and message.

Let us submit a proposal

**Bausch & Lomb
Optical Company**

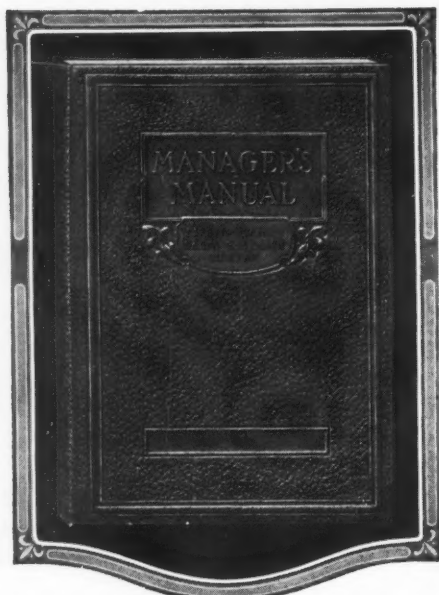
746 St. Paul Street, Rochester, N. Y.

FOR BETTER VISION » » ORTHOGON LENSES

Reprints at Cost

We will reprint at cost plus ten per cent for postage and packing any article in this or other issues of **SALES MANAGEMENT**.

In every issue there are articles which profitably could be sent to business associates, customers, or friends of some of our readers. We shall be pleased to quote prices in any quantity desired.



LET MOLLOY MADE COVERS

Make your loose leaf or bound book look as important as it is. Write us for suggestions and samples. There is no obligation. Keep pace with 1930!

MOLLOY MADE
THE DAVID J. MOLLOY COMPANY
Commercial Covers for Every Purpose

2869 North Western Avenue Chicago, Illinois



New York Office
300 Madison Ave.

"An Address of Distinction"



One of the World's Great Hotels

OUTSTANDING not only among the hotels of Chicago . . . but among all the hotels of the World. Costs compare favorably with other establishments where distinguished standards of service prevail. Rates begin at \$5 per day. Permanent Suites at Special Discounts.

THE DRAKE
HOTEL, CHICAGO
Under Blackstone Management

Does "Forced Distribution" Ever Pay?

(Continued from page 168)

ernize the container. Stability of package was kept in mind, in order that another change would never be necessary. Early in 1929 the new package was introduced in New York department stores and other outlets already selling the product. Immediately following this introduction, extensive tests were conducted on the advertising appeal. From this test one dominant fact was learned: that women would listen to a fact story unembroidered with fanciful word pictures.

By April preparation was complete for launching the product in the New York market. Four advertisements in the rotogravure section of one New York Sunday newspaper and a local magazine were run during April. In the rotogravure three 1,200-line advertisements told a preliminary story of the product and in the magazine three two-column advertisements. The fourth advertisement in both media was a full-page featuring a coupon, redeemable at any drug or department store for a free seventy-five-cent bottle of Ambrosia. To prepare the retailer for this onslaught of coupon redeemers, about 50,000 of them, he was given a supply of these bottles packed in units of six, with the addition of a four-ounce bottle retailing at \$1.50.

1,500 Window Displays

This represented the dealer's compensation for his cooperation in giving away six sample bottles. At the same time 1,500 retailers installed a window display.

The sample bottle was an ounce and a half size and was priced to retail at seventy-five cents to give it value in the eyes of the public; subsequently dealers purchased many of these in spite of the fact that so many had been given gratis. This free offer plan found Ambrosia widely distributed in the New York market. Advertising in the same media was continued and shortly after stores began to order in volume and local jobbers began stocking the product.

Continuing the sampling, Saks Fifth Avenue in June sent to over 85,000 charge customers a four-page folder offering them, with their compliments, the seventy-five-cent bottle of Ambrosia upon presentation of the folder at the toilet goods counter. Some 12,000 women took advantage of this offer.

Out-of-town circulation of the media used caused demand in all parts of the country by many who had sampled the product through Hinze Ambrosia, Inc., direct. The department stores being the most accessible, it was decided to distribute nationally through them first. On August 1 a supply of Ambrosia in different sizes was shipped to 1,100 department stores gratis, following two broadsides announcing our plans and the advertising in August magazines. The stores were only asked to display the merchandise and let it prove itself. A record of 70 per cent repeat business was the answer.

Following the sampling plan at Saks, 200 department stores throughout the country sent out replicas of the folder used by Saks. A million and a half of these were distributed, bringing more than 600,000 women to claim the seventy-five-cent bottle free.

Another Paper Added

To broaden the advertising schedule, rotogravure in another New York Sunday newspaper was added in September with a repetition of the full-page coupon advertisement, preceded by three 1,200-line advertisements as in April. The only exception was that the coupons were this time redeemable direct from the company. This served to place the story before a new audience and resulted in increased volume.

Greater circulation was needed in the national field and additional advertising in eight women's magazines was entered upon. To justify such a circulation a greater distributor coverage was necessary. In the United States and Canada wholesale drug distributors in 118 centers were approached with this plan. If they furnished a list of their retail drug accounts, of the calibre to sell a product of this kind, Hinze Ambrosia, Inc., mailed free to each of these retailers a counter carton containing merchandise with a retail value of \$7.50. This offer was tied up with the jobber by notifying the retailer through which jobber he received the counter carton, and the fact that future requirements for the product could be cared for by that jobber. A preliminary letter was mailed to retailers informing them of shipment. To be certain that no information was missed

by the retailer, full particulars also accompanied the shipment.

This comprised a letter telling the purpose of this free assortment, with information concerning the jobber; a four-page folder describing the product, its history and uses; a four-page folder telling of the advertising that was backing the sale of the product. Extensive trade paper advertising was used both before and after the distribution to acquaint the retailer with the story.

Encouraged by the tangible amount of free goods given the retailer and the extent of the advertising campaign, jobbers in January placed an initial stock in their warehouses. January 6 saw the start of the free units on their way to retailers. The first of the twelve national magazines being used went on the newsstands January 10. This was succeeded in rapid order by the others, until February 1 saw the total circulation telling the introductory story to a greatly enlarged audience.

Following the policy of taking the burden of proof upon itself, the company used the March issues of these same magazines for full pages featuring a coupon for a free bottle of the "original seventy-five-cent size" of Ambrosia. Requests from these have been coming in at the rate of 12,000 a day. The February advertisement had a request hidden in the copy which to date has resulted in more than 40,000 replies.

75 Per Cent Reordered

Since the initial distribution and the first stocking by jobbers, 75 per cent have reordered one or more times. A typical instance is a Los Angeles jobber, who since receiving the initial order of \$158 worth of merchandise had from January 15 to February 15 ordered \$2,700 worth of Ambrosia.

The distribution cost, while seemingly large, has enabled Hinze Ambrosia, Inc., to save not only several years of work, but also the cost of a large force of missionary men necessary to accomplish the same result. It has also represented a distinct saving in consumer good will, by making the product available to the demand created by extensive advertising.

Jobbers are undertaking the work of following up this distribution. The country is being zoned according to each jobber's radius of activity as outlined by the list of his customers. With this information and its consequent breakdown of population figures and advertising coverage, the returns from any given zone can be determined better and salesmen can develop their territories more easily.

\$ 1.087. per Capita Deposits in Syracuse

Syracuse leads the following cities:

Cleveland	- - \$990
Philadelphia	- - \$951
Chicago	- - \$923
New Haven	- - \$861
St. Louis	- - \$741
Baltimore	- - \$700
Detroit	- - \$644

This large figure per capita bank deposit is the report of the U. S. Census Bureau.

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Year 1930	Year 1929
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The exact sources of data on which the **SALES MANAGEMENT Weekly Index** of Motor Activity is based cannot be completely explained or disclosed for the reason that much of the information used is obtained in confidence. The computation itself is entrusted to one of the leading economists and statisticians of the automotive industry.

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